

for CONSTRUCTION

GENERAL

Thatcher's Sterling pledge to firm; **Olympic** athletes

The Government will not use oppressive methods" to stop British athletes going to Moscow for the Olympic Games, Mrs. Thatcher told a delegation from the Central Council for Physical Recreation yesterday.

It would not withdraw passports or refuse visas to com-petitors but would adopt what the Prime Minister described as a "step by step approach" in a bid to get the Games trans-ferred. Council members, however, said they thought the idea was impractical. Parliament, Page 10

Embassy burned

Angry crowds attacked and burned down the French embassy in Tripoli but staff escaped unburt. French Foreign Ministry protested strongly to the Libyan Government. Page 3

Sakharov warned

Dissident Soviet physicist Andre Sakharov, banished last month to Gorky, said he has been threatened with further moves against him if he continues issuing statements for publication abroad. Page 3

Carter ahead

National support for President Carter's forcign policies has intensified, according to two major U.S. public opinion polls. He is now favourite to win re-election for a second term.

Lebanese taiks

Lebanese leaders held urgent talks on the impact of a planned withdrawal of Syrian peacekeeping forces from Beirut which could pose a serious threat to security. Page 4

South Africa's new opposition

Apartheid 'stays'

bert claimed the Government is (£444.8m) in economic aid unwilling and unable system- from the West and the Moslem atically to dismantle apartheid world. Page 4 and racial discrimination. Reformer dies

Baroness Summerskill

vigorous advocate of social reforms throughout a parliamentary career that spanned more than 40 years, died yesterday. She was 78. Obituary, Page 10

Phone taps

Customs and Excise can apply to the Home Secretary for a warrant to tap a suspect's phone when investigating major fraud cases, the Prime Minister told the Commons. Parliament, Page

Yorkshire crash

Pilot of a light aircraft was on the busy A658 Bradford to Harrogate road, Yorkshire. Police immediately sealed off the area as hundreds of gallons of aviation fuel spilled, causing

Sentence cut

AA patrolman David Owen. 25, jailed for life last May for the rape and robbery of a girl driver whose car had broken down, had his sentence cut to seven years by the Court of

Briefly . . .

Death toll in the New Mexico State Prison riot was 35, all in-

Prices Minister Sally Oppen-heim was at her husband's hed-side in a London hospital haemorrhage on Saturday.

Bilton (Percy) 233 + 8

Jermyn invs. 68 + 8 Matthews (Bernard) 305 + 15

May and Hassell ... 80 + 8

Mills and Allen ... 270 + 10

Needlers 42 + 4

Newmark (Louis) ... 260 + 10 Rohan Group 75 + 12 Sothebys 505 + 12

LASMO 438 + 25

Siebens (UK) 678 + 22

Cons. Gold Australia 365 + 15

East Daggafontein... St + 19

Dunbee-Combex-

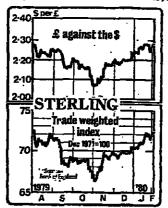
CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

BUSINESS

Equities

● STERLING closed at \$2.2855 a rise of 1.15 cents. Its trade weighted index was 72.3 (72.0).



DOLLAR lost ground to close at DM 1.7415 (DM 1.7435). Its index was unchanged at 85.2. GOLD fell in London to close

\$10.5 down at \$667. GILTS weakened further

Government Securities index closing 0.64 down at 65.81.

● EQUITIES closed 2.1 down at 445.7, leading shares holding up well despite the bleak industrial

● WALL STREET was down 2.47 at 879.01 just before the

STOCK Exchange turnover in January was £21.6bn, near the record £22.4bn of Septem-ber, 1977. Page 29

the U.S. Federal Reserve Board, warned that the number of banks threatening to leave the Fed system was nearing "flood proportions." Back Page

 BRITAIN faces_stiff opposition from other EEC countries to its demand for curbs on cheap U.S. synthetic fibres.

leader Frederik van Zyl Slab- @ PAKISTAN is seeking \$1bn

INTERNATIONAL Synthetic Rubber is to reopen a styrenebutadiene plant-closed three weeks ago as a protest against raw material prices-after a new agreement with Esso Chemical. Back Page

BRITISH Overseas Trade Board efforts to make shop floor workers more aware of the value of exports have met with little success. Page 6

 BASF, the West German chemicals concern, has acquired Fritzsche, Dodge and Olcott, a New York company specialising in scents and flavour additives.

LABOUR

• TRIDENT Television told employees that they should resign immediately if they joined a group applying for the Trident franchises. Page 10

● LONRHO announced pre-tax profits for the year to September down by £9:64m to £84m. Page 22 and Lex. Back Page

fourth-quarter earnings to \$67.4m (£29.5m) from \$29.6m (£12.9m). Page 25

• COMMERCIAL Banking of Sydney, incressed earnings by 44 per cent from \$A11.5m (£5.63m) to \$A16.5m (£8.08m) in the half-year to December. Page 27

• VIBROPLANT, the North heim was at her hashand's hedside in a London hospital
following his severe brain
heim was at her hashand's hedside in a London hospital
reports first-half pre-tax profits
up from £1.6m to £2.Im. Page
haemorrhage on Saturday.

Exchequer 3nc 1984 £681 -

Exchequer 3pc 1894 £683 - 2 Treasury 154 pc '98 £110 - 1 Bowring (C. T.) ... 138 - 4 British Cargo Air. ... 35 - 21 Burton Group 104 - 4 Clive Discount 72 - 6 Comet Radio 90 - 4 Coral Leisure 67 - 5

Midland Bank 370 - 6

Wedgwood 65 — 3

Bougainville 187 - 9

Wiggins Teape in joint project for newsprint mill

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY Kr. 4.25; PORTUGAL I

Wiggins Teape and Consolidated-Bathurst are preparing detailed plans for a £100m newsprint mill at Fort William in Scotland. The project marks a major reversal of the declining trend in UK newsprint production.

It is a significant development for European producers, which are being urged to replace old-fashioned sulphite pulp mills with modern integrated newsprint capacity to compete with the North American producers.

Wiggins Teape, part of BAT Industries, and Consolidated-Bathurst, one of Canada's leading paper producers, announced yesterday that they had agreed to complete the final stage of heir studies with the aim of forming a joint venture to pro-duce newsprint at Fort William. If the final studies are successful construction of the mill will start in July, with completion fixed for early 1983.

reprieve for the 450 workers at the threatened Fort William pulp mill. Wiggins Teape started producing chemical pulp at Fort William in 1966, but has been losing money heavily in recent

The pulp mill was due for closure unless an alternative process could be developed. A firm of consultants, Jaakko Poyry, recommended last year that the best way to maintain employment at the pulp milt would be to set up a newsprint

BRITISH National Oil Corpora-

North Sea prices will be raised

from the beginning of this

month. And yesterday Indo-nesia announced a \$2 a barrel

Pertamina, Indonesia's state

corporation, has set the price of its benchmark Minas Sumatran light crude at \$29.50

fixed by the leading pricing moderate Saudi Arabia (\$26.00

for its reference crude) and one

a barrel).

BNOC, the UK state oil corporation, has still to decide

the new level of North Sea

prices, which normally relate to the cost of crude oil from

Nigeria, Algeria and Libya.

Following a spate of pricing revisions this weekend high-

grade African oil is being sold

at record levels, up to \$37.21 a

barrel in the case of Algeria

Both the big UK producers, over other UK newsprint mills Reed and Bowater, were in heing able to produce its approached by Wiggins Teape, but both felt that the project was not economically viable.

Solve Tik newsprint mills in heing able to produce its output solely from home-grown timber.

Much of its output would be

tory work his company was convinced that a newsprint venture at Fort William would be internationally competitive.

"There are still a lot of details to be worked out beforewe can say definitely that it will go ahead. All I can say now is that we are hopeful."

Among the details still to be tied up are costs of energy and timber, and the scale of Government assistance. It is intended Consolidated - Bathurst should be the majority partner. The newsprint will be produced by a single machine at an annual rate of 156,000 tons. This is considerably larger than existing UK newsprint

The resultant economies of scale are one of the main reasons why the project should he feasible, according to Mr. Patrick Best, chairman of the Wiggins Teape Group. Mr. Best added that the new

BNOC undecided on size

charging up to \$34.72, may

This leaves UK oil under-priced at \$29.75 a barrel for Forties-type reference crude.

But both the Government and

BNOC are in a quandary about

both the size of any increase,

and the manner in which it

Mr. David Howell, Energy

Secretary, has insisted that Britain should follow the pricing

trend, with North Sea producers

acting as a moderating force.

But under state participation agreements, BNOC is committed

to buy and sell oil at the market

It is understood three options have been considered:

BNOC could leave the price

at \$29.75 and wait for a customer — probably an inde-

pendent oil company - to pro-

test. This would lead to an

impose a further increase.

of new price increase

tion has told its customers that crude. Libya, which is already

(including a \$3 a barrel refund-test. This would lead to an able exploration surcharge) and independent expert being called

Much of its output would be Mr. Bill Turner, president of aimed at the lightweight end Consolidated-Bathurst, said that of the market used by web-after pearly a year of investigation offset printers. Consolidated-Bathurst estimates that UK milis at present can produce only 17 per cent of the 230,000 tons a year used by web-offset

> The new mechanised pulp mill and newsprint plant would employ between 300 and 400 employed at mill. Mr. Alex chemical Fletcher, the Scottish Industry Minister. welcomed announcement yesterday and said that he was ready to dis-

cuss the extent and nature of Government assistance. Fort William has recently been given the status of a development area, but the pro-

portion of building costs normally paid by Government is to be reduced from 20 to 15 per cent from August 1. This is understood to be one reason why Wiggins Teape and Consolidated-Bathurst are in a hurry to start construction.

News Aualysis, Page 9

increase - say \$2 a barrel

Dr. Ulf Lantzke, director of

the International Energy Agency, said yesterday the international oil market was unlikely to bear the latest price

Oil consultant hits at North Sea chaos, Page 8

\$33 a barrel.

Currency: Reserves

Reserves rise to

BY DAVID MARSH

BRITAIN'S gold and foreign currency reserves rose to state highest-ever level last month as gold holdings.

The reserves rose \$887m at the end of January to \$23,71bn. After allowing for changes in the gold valuation, transactions with the International Monetary Fund and overseas debt payments, the underlying increase was \$500m. indicating almost continuous Bank of England intervention to smooth the rise of the pound.

the past two months, reflecting oil prices: While refraining from inter-

vening to hold a specific exchange rate for the pound, the Bank of England tries to cream off excess demand in the market to prevent excessive fluctuations in the exchange rate.

The reserves were boosted by \$341m during the month through an increased allocation

\$34.21 for inp grade Nigerian in to fix North Sea price • It could go shead and settle for an increase of, say, \$4 a barrel, keeping North Sea prices in line with those of Nigeria. It could nominate a lower six months. The reserves also

and impose a further adjustable surcharge. In this way prices could be adjusted in step with fund, and a valuation incre It is felt in the industry that exporters will find it difficult to sustain some of the very high prices now being charged. It is pointed out that the increases run counter to the trend in the Accruals of public-sector spot market, where rates have fallen from \$39.\$40 a barrel just before Christmas to nearer \$30-

result of further sizeable inflows into sterling and a revalu-ation of part of the UK official

underlying rise of about \$150 in substantial upward pressure on the pound from rising North Sea

of European Currency Units.
This resulted from the quarterly, revaluation of gold reserves made by the European Monetary Cooperation Fund

Under EEC arrangements for partial pooling of reserves, 20 per cent of member countries gold and foreign exchange reserves are deposited at the fund in exchange for European Currency Units. The gold valuation is changed every three months on the basis of the average price in the previous

from a distribution of \$392m of Special Drawing Rights issued by the International Monetary of \$80m stemming from the fund's restitution of part of Britain's original gold subscrip-

borrowing under the exchange cover scheme amounted to \$40m. Editorial Comment, Page 29. Money Markets, Page 28

GEC gives terms of Decca bid

WEIGHT TO STREET, STRE

GEC. THE country's largest electrical group, has hid out the terms of a SE25m counter

stock, though the ferms of that director, and the 30 per cent or will not be known until the for- so held by UK institutions, mal offer document is published. Yesterday the fund managers. The loan stock offer has been who traditionally do not accept devised to attract shareholders with capital gains tax problems, and institutional holders who want to maintain their presence in the electricals sector rather than accept cash which they would then need to relevest.

Deecs's board which had warminously recommended Racal's bid before GEC announced his counter bid will-

Mr. Nigel Grainen May, who took over as chairman of Decea on the death of Sir Edward Lewis last week, said resterday

that there was a significant differential between the two electrical group, has fill out the terms of a filling out of differential between the two prices. However, he pointed bid for Decca, against the cut; GEC's statement says nothing about the future integrity of Decca, particularly as of the troubled high technology electronies, television and music basiness for 500p in cash and important one."

The offer values Decca at Racal refused to comment on £82.5m. In content, the earlier all-share offer from Racal Recurrence is worth only ing in the next day or so. Electronics is worth only ing in the next day or so. Each offer one friday's GEC's after and said that the heart work is shares fell by Racal owns 6 per cent of in the market yesterday after a Decca in its gwn name and has price to be also offer being the cash. GEC is also offer him and the state of the unsecured GEC has shortly be assessivened of the land of the name of Dr. J. Dimenstein, a Decca of the day of the land of the name of Dr. J. Dimenstein, a Decca of the day of the land of the name of Dr. J. Dimenstein, a Decca of the day of the land of the lan

until the last possible day, were weighing up the comparative industrial advantages

The main points at issue were whether GEC's technology meshed better with Decca than Racal's and whether Racal had enough management to restore Decca's fortunes.

In its statement, GEC drew attention to the long association of its subsidiary Marconi Space and Defence Systems with Desca in the fields of electronic counter-measures."

Lex. Back Page

Broackes may head body to develop dockland

BY ROBIN PAULEY

HR. NPCRL BROACKES, chairman of Tradegar House, is expected to be named in the Commons today as chairman of the proposed school file London's developed Reception. Mr. Michael Heseltine, Environment Secretary, will use the second reading of his

Local Government, Planning and Land Bill as an oppor-tunity to tell the House of The Bill establishing the corporation to take over the redevelopment of 5,000 acres of dockland provides for the corporation to have a chair man, vice chairman and up to 11 members. At the same time Mr. Haseitine is expected to announce the name of the chairman of a

corporation for Mersepside. Mr. Bruckes nonlineted as chairman of the London corporation today, one of the first tasks will be to recommend. be to persuade leaders of the five Labour controlled dock-iand horoughs to co-sperate with him. He is certain to sk one or two, at least, to Join the corporation, the most likely being Mr. John O'Grady of Southwark, and Mr. Pani Beasiey, of Tower

Page 8

f in New York

The second secon

Hadfields to withhold PAYE

BY OUR INDUSTRIAL AND LABOUR STAFF

GEC's bid for Decca 20

pany decided yesterday to take action in protest against secondary strike action.

Mr. Derek Norton, managing director of Hadfields of Shefseventh largest U.S. chemical the seventh largest U.S. chemical company, more than doubled fourth-quarter earnings to \$67.4m (£29.5m) from \$29.6m the Government from the company in income tax national insurance contributions, and value added tax.

> "All these payments will be stopped " Mr. Derek Norton said of the unanimous decision of himself and his nine fellow directors: "It just so happens that the sum equates to the

A LEADING private steel com- loss which we consider we shall tinues.'

The Department of Inland People have a statutory obligation to pay. And we have a statutory obligation to collect. Anyone who is not in a position to pay will no doubt be discussing it with his collector of PAYE which is deducted

from employees' wages does not belong to the company that collects it." Mr. Norton said last night the company realised that ultimately it would have to pay the money owed to the Government.
"But our number one problem

With the steel strike nearing suffer while the strike con- the end of its fifth week explora tory talks between leaders of the Iron and Steel Trades Confederation and the British Steel Corporation may resume today. So far the talks, promoted by Mr. Len Murray, TUC general secretary, have not suggested

that the two sides are getting much nearer the point when negotiations can resume. The decision of the ISTC executive to reimpose the sympathetic strike in the private sector immediately after it was

Continued on Back Page Joseph avoids steel pledge, Page 10
Tougher picketing curbs
urged. Back Page

Management: 'scientific management'

at the moment is cash flow." CONTENTS -

Grocery multiples: the new competition		Film and video: rivals line up for the great disc race 18 Lombard: Teaching Engineering by David Fishlock 18 Editorial comment: money supply dilemmas; Denmark upsets its Allies 20 International banking: fairness in controls—a proposal 30 Survey: Container Industry 13-16		
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ANNUAL STATEMENTS

Worsening of East-West relations hastens talks on Berlin

EAST AND West Germany. East Berlin could be frozen if reducing the salinity of the fully aware of the worsening the conflict between the United Werra river flowing into West relations betwen the superpowers, are anxious to conclude powers. The East Germany However. West Germany to ributing DM 1.4bn (£360m) economy is going through a stands to lose much if East-West towards the nearly completed difficult period as planners relations continue to deteriorate deposits of potash from East mode: isation of the Berlin to attempt to reconcile spiralling and East and West Germany

wide-ranging agreements in the next few months that will improve West Berlin's physical heads West Germany's permanent mission in East Berlin, is links with West Germany and bring East Germany hundreds in the midst of negotiating on a of millions of badly needed improvements that will contri-Deutsche Marks in the process. bute towards, if not cordial relations between East and Negotiations are taking place in East Berlin despite last West Germany, then at least what are called "good neighplanned meeting between Chan-cellor Helmut Schmidt, of West

These inclu

Germany, and East Germany's President and Communist obsolete East German railway lines that link West Berlin with President and Communi-leader, Herr Erich Honecker. West Germany, widening and dredging East German canals At the moment, both countries are supported by Moscow and leading into West Berlin to Washington in the efforts to conpermit larger barges to serve Washington in the efforts to con-tinue their working relationship. But there is a sense of urgency to their talks as there is fear the West German town of Bad that contacts between Bonn and Hersfeld by an autobahn, and

Germany by curbing the heavy deposits of potash from East German factories.

Railway service between West Berlin and West Germany is still far slower than it was in package of prosaic sounding 1939 because of the poor state of East Germany's track. Lay-ing new track and electrifying the lines would not only improve West Berlin's freight and passenger service but also East Germany's, as the railway lines from West Berlin to the five railway crossing points into West Germany also serve major East German cities.

However, before the two sides can sign on the dotted line, West Germany is expected to contribute several hundred million Deutsche Marks to the railway modernisation scheme. A precedent has already been

Helmstedt autobahn and the costs of energy and raw construction of a new autobahn materials with an industry that between West Berlin and Hamburg. In addition, West Germany pays an annual DM 525m

Herr Gaus is optimistic that agreement can be reached with East Germany by the end of May, as is Herr Dietrich Stobbe, West Berlin's Governing Mayor. There may be an element of whistling in the dark here, but both men believe East Germany both men believe East Germany Germany with additional oil has a stronger interest than the beyond the 19m tons it is West German side in finalising delivering annually until 1985.

Germany by car.

continues to export products of low added value. Herr Honecker himself spoke

to East Germany for Western traffic using the transit autobahns to West Berlin and an annual payment of DM 50m in lieu of individual road toll fees for West Germany visiting East Germany by car.

Inerr nonecker himself spoke only recently of the dangers to relations between East and West Germany, "which are developing so promisingly," from "exportation" of the cold war to Europe by the U.S. This was only a few days before he was only a few days before he cancelled his planned meeting with Chancellor Schmidt.

East Germany requires enor-

mous amounts of hard currency from West Germany to pay for the oil it is being forced to buy from OPEC countries. Moscow has said it cannot supply East

and East and West Germany are sucked deeper into the con-flict. Last year, 8m trips were made by West Germans and West Berliners to relatives and friends in East Berlin and East Germany. In 1970 only a small number of West Germans were able to visit the East. Some 50,000 telephone calls are put through daily between Germans East and West; in 1970 a telephone service did not even exist between the two halves of

Berlin. Four thousand East Germans their families in West Germany strongly that all this could although far more East change and Western allied Germans have applied to leave. Under the Four-Power Berlin of the pressure being put on agreement nearly 19m traps. West Germany to think twice were made last year with a before giving further support were made last year with a before giving further support minimum of controls by West to the United States.

Germans, West Berliners and ... German land routes between West Berlin and West Germany. In 1970, the relatively few Westerners who used the East German autobahn and train were frequently held up for hours in arbitrary searches by

As for Berlin, the ultimate beneficiary and trip wire of detente, it has taken years for West Berlin to adjust from its front line position in the Cold War to become as normal a city as possible, although amputated and surrounded by a wall

Soviet officials have hinted

officials here believe this is part hoping for agreement



Greeks react angrily to austerity package

BY OUR ATHENS CORRESPONDENT

greeted the Greek Government's out was declared by shop-attempts to impose an economic keepers at the Government's austerity programme. For the attempts to limit profit margins past three weeks 35,000 bank and curtail imports of goods employees have been out in they wished to sell. But comprotest at wage rates and work- mon to almost all the strikes are ing conditions. The strike has wage demands, caused grave problems for Last year c

Groups of workers to strike in recent weeks include those at keep wage settlements around bakeries, at the Public Power the level of 15 per cent. Corporation (DEH), at the telecommunications organisation (OTE), at the state broadcasting corporation, and the at the State Railways Organisation (OSE). Their strikes range from repeated one-day stoppages to the three months which electrical technical staff on the railways have been out. A strike by petrol-lorry drivers has also

been causing difficulties. The 600,000 employees ofagricultural co-operatives have started a six-day stoppage and party allegiances. lawyers plan to stay away from

ne courts for three days.

ference in the development of tween 170 per cent and 260 per
The lawyers are protesting an independent union move cent in the past six years, equal the courts for three days. about the way the courts are ment has long been criticised by pay had been assured for administered — a complaint West European unionists, as women and the Government which many feel is long overdue has its readiness to conscript was planning to ratify two congiven the pandemonium and striking workers to oblige them ventions of the International sittings which usually characterise proceedings.

A SERIOUS wave of strikes has conditions, while a one-day lock

These include renewing the

caused grave problems for Last year consumer prices business but is only part of a rose by 24.5 per cent which has general problem. led to widespread dissatisfaction with government attempts to

Mr. Constantine Laskaris, the Minister of Labour, has claimed that much of the labour unrest is instigated by the opposition parties, each of which is supported by formal groups within the labour movement.

He suggests that, as rival groups outbid each other, workers' expectations lose all contact with the reality of the situation, and says that the Gov-ernment would prefer a strong unified union movement free of

The Government's own interto return to work.



Mr. Laskaris: blames the opposition

ting excessive limitations on the right to strike, or being respon-sible as a result for the continuing prosecutions of trade unionists, of failing to ensure safety at the work place and of not enforcing laws which would prevent children under 14-from working - as it says 66,000 now do. The Minister of Labour re-

plied that wages had risen be-Labour Organisation. In a parliamentary debate cover the protection of workers'

Four questions in UK budget wrangle

purpose?" is how one senior European Commission official defines the four questions which need to be answered satisfactorily if there is to be a final. settlement of Britain's budget wrangle with its EEC partners.

Faced with an anticipated net contribution to the EEC budget this year of around £1.2bn, Mrs. Margaret Thatch-er's Government is insisting that the answers must be found in the next few weeks. During the past couple of days, Britain's eight EEC partners have begun studying Commission proposals which suggest both a mechanism and a pur-pose for increased Community spending in Britain but which leave the questions of how much money and for how long to be answered by member governments largely without bene-

mented one Foreign Office offiguarantee fixed sums for as long as the budget problem lasted.

Indeed, the fact that it gibes

"HOW MUCH? For how long? bers, notably France, offer their By what mechanism? For what initial critical reactions. These will be evident first on Thursday at the weekly meeting of the Committee of Permanent Representatives and will be de-veloped further by Community Finance Ministers next week These discussions will mark the start of weeks of hard bar-

gaining, which the Commission and the British hope will pro-vide the basis of an agreement to be endorsed and fleshed out at the heads of government summit here on March 31.

Some progress

The Commission will try to prepare as much of the ground as possible through bilateral meetings between Mr. Roy Jenkins, the Commission president, and member governments. No one, however, expects a sudden transformation in the glutinous going which bogged down the last Community summit for most of its two days in Dublin Nevertheless, the British like last November. But the argu-the document. "We are on our ments for and against doing way with this paper." com-something about reducing Britain's exceptionally large contricial, despite the fact that it bution are by now well re-does not endorse the UK's fav- hearsed, and both the UK and oured solution of a "receipt the Commission can point to mechanism" which would some progress already made towards a solution.

> If there is a final solution next month, the Dublin summit may attain one of the Community's

BY IOHN WYLES IN BRUSSELS enormous expectations she had they act unanimously and after procedures for agreeing the

Dublin did secure two gains for the British which the Commission hopes can be built upon in the forthcoming negotiations. First, all of the other member

states, except France, seem ready to amend the so-called financial mechanism so that Britain's payments into the EEC's "own resources" can be reduced by £350m a year. Secondly, the heads of governwhich charged the Commission with producing proposals for boosting Community spending within Britain "which will contribute to greater economic con-vergence"—that is, close the yawning prosperity gap between

As a result, the Commission has produced a package, in parts vaguely worded and apparently deliberately obscure which again endorses the principle that aiding Britain would be entirely in line with the Community's goal of greater convergence and finds the authority to do so in Article 235 of the Treaty of

Britain and some of her

wealthier partners.

In essence, this says that if the Treaty does not provide the necessary powers for action to

consulting the European Parlia-

After copcluding that an attempt to push up the UK's receipts from the existing and "would have a seriously dis-torting effect on policies of major importance to the Com-munity as a whole," the Com-mission argues that a new EEC dly, the heads of governsigned a communique option." But the spanding coherent framework and in line with existing and new Com-munity policies, says the Commission.

Specific problems

It should be based on specific component related to specific regions or problem areas. Among other things these could include "programmes for regions of Community-wide from special industrial problems or remoteness.

The Commission suggests that projects to link the UK more closely with its partners and also projects to remove urban

In summarising the technical components of the new regula-

proposals with the Commission), the document makes its only reference to the possible life of the programme by saying that there should be an agreed review procedure "well before

the expiry of the measures." Clearly, to the extent that Britain's financial burden is eventually lightened, others will have to pay more into the EEC budget. Anticipating problems with Italy and Ireland, the two members poorer than Britain, Commission reminde member states of programmes in the pipeline for increased spending in poor rural areas (which should be read as Southern Italy, parts of Southern France and the West of Ireland) and also suggests that interest rebates already paid to Italy and Ireland to compensate for membership of the European monetary system

might be increased.
Mrs. Thatcher has made little interest such as Northern Ire- secret of her desire to have as land," or for those suffering much EEC money as she can get hold of so as to help reduce the public sector borrowing requirement. In other words, they could also cover transport she wants Britain's EEC partners to help fund government spending programmes.

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to accommodate a wide range of

tomers' everchanging multi-million dollar credit arrangements.

Noël is only part of the customerbanker relationship. Another part is William H. Adams, head of Chemical Bank's San Francisco regional head-quarters. As a main link with Weyerhaeuser's Treasurer William C. Stivers, Adams coordinates all groups in the bank as they relate to

the company and has helped Stivers with foreign exchange, domestic and . international collection, importing and financing arrangements; he has helped establish on-line communica-tion through ChemLink. Chemical's financial management system, as

well as computer to computer trans-mission of lock box information. Whether the team is Stivers and Adams in the United States, or van Wijngaarden and Noël in Europe, they'll tell you that mutual under-standing and respect are what make the relationship prosper. That's what usually happens when corporate officers get together with Chemical bankers. And what results is bottom line be, ethis for both the company





Norway

to tighten

urged

mary 5 1980

Herr Stobber

res for agreeing s with the Common ument makes m be to the possible a to the po ry of the measure y, to the entent financial burde by lightened other pay mare into the Anticipating prely and Ireland de poorer than Br .ommission states of progre pipeline for me should be real
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nge, domesticant tion, importing tion. Importing Link C'em cals ent system, as a-computer trains. information. n is Sovers and d States or van loei in Europa mutual under ot are what make asper That's what sen cornerate in with Chamical results is control T the company

U.S. 'wants to tie down Soviet troops in East'

Relevised remarks on U.S.-

he had admitted that the U.S.

rest determined to use the Peking leaders "as an instru-ment" in its 'global hegemoni-

Mr. Brown told correspondents after a week's visit to

China last month that although

the U.S. and China were not forming a military alliance, they

were discussing future military

co-operation and shared similar views in a number of areas.

"We intend to take parallel actions," he said at the time.

tion which Soviet detente policy

was designed to avoid.

stic notice

THE SOVIET Communist party repeatedly, however, that play-newspaper Pravda said yester, ing the "China card" would ay that Mr. Harold Brown, the have the gravest consequences Defence Secretary, had for U.S. Soviet relations and confirmed that the U.S. is dethose with access to official armined to use China to thinking have cited the historic e-down as many Soviet troops Russian fear of China as a ac possible on the Soviet Union's estern frontier. In a comment on Mr. Brown's

According to one Soviet Chinese co-operation Pravda said - official, Moscow has been disappointed by a total inability to improve relations with China following the death of Mao and attributes this to China's need to maintain an external enemy to distract attention from grave internal

The Soviets became convinced that there would be no improvement in China's internal situa tion and therefore no improve ment in the Soviet Union's relations with China and this was a factor in the Soviet There has been very little decision to invade Afghanistan, previous comment in the Soviet although not the decisive one,

Meanwhile, Pravda said in an editorial that it believed national relations and called on the countries of western Europe

Sakharov's life threatened

DR ANDREI SAKHAROV, the which he denounced the action said yesterday that his life has been threatened. He has also been warned that the place and conditions of his exile will be changed and action will be submit to the regime imposed taken against his wife if he on him by the KGB, "underissues any further statements standing the consequences that

for publication abroad. Defying this threat Dr. Sak-harov's wife, Yelena Bonner, "All talk about humanity in yesterday read out a message the authorities' treatment of from her husband at their Moscow flat expressing solidar-ity with Lev Kopelev, a dissident literary critic who was attacked on Sunday in the Soviet Press.

Miss Bonner told Western correspondents that her husband was summoned to the office of the State Prosecutor in Gorky. his place of exile, and told that he was violating the terms of Miss Bonner told correspon-his exile by making statements dents that he was harassed such as the one last week in constantly

potentially irrational element in Soviet decision making on the question.

according to the official.

press on the announcement by the Carter Administration that the U.S. is now ready to sell military equipment to China. detente was likely to remain the thereby raising the spectre of U.S.-Chinese military co-operadominant tendency in interras designed to avoid.

to defy calls by the U.S. for The Soviets have warned action against the Soviet Union.

BY OUR MOSCOW CORRESPONDENT

was ready to stand trial in an open court. In his statement yesterday,

Dr. Sakharov said he refused to this may bring to me and my

me which is put about to pacify

the West is a lie," he said.
Dr. Sakharov was exiled to foreigners, on January 22 after being stripped of his state honours. Under the terms of his exile, imposed by administrative decree, he is forbidden all contact with foreigners.

COMPANY NOTICES



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(Incorporated In the Republic of South Africa) NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER DIVIDEND NO. 108

AMOUNT PAYABLE WHERE A U.K. INLAND REVENUE DECLARATION IS LODGED WITH COUPONS

Less: United Kingsom Income Tax € 15.67% on the gross sindend (see Notes 1 and 2 below)

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NOTES: (1) The cross amount of the dividend for use for United Kingdom income and Surtax surposes is 53.70719 per share.

42) Under the Double Taxation Agreement between the United Kingdom and the Republic of South Africa. South Africa Non-Resident Share holders' Tax applicable to the divident is allowable as a trade against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15.57° instead of at the standary rate of 30% represents an allowable for the rate of 14.33% in respect of South African Non-Resident Share holders' Tax.

US\$ 25,000,000 ARAB INTERNATIONAL BANK FLOATING RATE NOTES DUE 1983 For the six months from 1st February 1980 to 1st August 1980 the notes will carry an interest rate of 15% per annum. The interest payable on the relevant interest payment date. 1st August 1980; against coupon no. 4 will be US\$76.15 per US\$1,000 notes.

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Kampuchea leader gets big welcome in Moscow

By Our Moscow Correspondent THE PRESIDENT of the ment of Kampuchea, Heng Samrin, arrived in Moscow yesterday to a high level immediately went for talks with Mr. Leonid Brezhnev, the Soviet President. He flew into Moscow from

Tbilisi in Soviet Georgia after a brief stop-over and there was speculation that he has come to sign a friendship treaty with the Soviet Union in a bid to shore up his Government's international

The Heng Samrin regime is recognised by few countries outside the Soviet bloc. To emphasise the respect the Soviet Union accords it, however, Heng Samrin was mel at Moscow airport by four members: Mr. Mr. Nikolai Brezhnev, Mr. Nikolai demonstrators at riugun, men.
Tikhonov, the Acting Prime Finistere in Britanny, are continuing their fight against continuing their fight against a nuclear power. Mr. Andrei Gromyko, the Foreign Minister.

He was driven into the city with Mr. Brezhney, accompanied by a motor cycle escort, and his picture and biography appeared on the front pages of all the Central | first nuclear power stations. Soviet newspapers.

The Soviet Union has provided Kampuchea with considerable aid and it is assumed that Heng Samrin is anxious to

The basic question which hangs over the meeting, however, is the central authorities to hold whether the Soviet Union has reached an understanding now been put in train.
with Victnam on the desira. At a time of rapid de bility of Moscow signing a with gramme, the Plogoff plans have friendship treaty Kampuchea.

The Soviet Press has reported widely on the 50th anniversary of the Vietnamese Communist party in recent days and observers here speculate the Victnamese might not want any gestures made towards ostensible Kampuchean independence at this

nother question is that of arms supplies but there is doubt over whether the Soviet Union will be willing to ship arms to Kampuchea directly them through Vietnam.

French embassy destroyed By Our Paris Staff

FRANCE ISSUED a stronglyworded protest to the Libyan Government yesterday, after demonstrators burnt down the French embassy in Tripoli. The incident brings a new dimension to the mounting friction between Libya and

its neighbour Tunisia over the fighting which took place a week ago in the inland Tunisian town of Gafsa. Angry crowds in Tripoli, repeat the attack on the U.S.

embassy there late last year, set fire to the embassy building.

The French Foreign Ministry said it had protested immediately to Libya about "this

unspeakable action and the inadmissible behaviour of the Libyan authorities." he authorities, it said, had failed to protect the embassy

after being asked to do so by the French ambassador. The embassy's staff escaped unalthough no reason was given

for the attack, the most apparent motive was the logistical support given to Tunisia recently by France. resident Habib Bourguiba, of Tunisia, has praised the French role, which involved sending military transport aircraft to Gafsa and warships to the southern Mediterranean

in the immediate aftermath of the fighting. ibya has denied involvement in the attack by the so-called Tunisian Armed Resistance which left at least 41 dead. Tunisia says the attackers were trained in Libya. Paris Press reports quoted suggestions that Soviet and Cuban advisers were also involved in training the rebels.

Higher Danish payments gap forecast

By Hilary Barnes in Copenhagen DENMARK'S BALANCE of payments deficit may reach DKr 17 to DKr 18bn (£1.39bn-£1.47bn) this year compared with an estimated deficit of DKr 15 to DKr 16bn in 1979, according to Copenhagen Handelsbank's quarterly eco nomic survey.

The forecast compares with Government forecasts made before Christmas that the 1980 deficit would decline to DKr 11 to DKr 12bn.

landelsbank pointed to the external deficit, falling private consumption and investment, rising unemployment, and an increase in the cost of living in 1980 by 12 per cent on average over the 1979 level. This made it lik () at there would be fur ments of the

krone in relation losses. bank said.

Britain faces tough fight over fibres

curbs to protect the UK market mission. synthetic fibres will encounter tough opposition from a number of EEC governments when the Council of Ministers meets here

Fears that such measures could provoke a U.S.-EEC trade war have led to Britain becomofficial welcome and almost ing increasingly isolated on the issue. It is expected therefore, that strong pressure will be bear on British brought to Ministers to delay application for national safeguards until after talks have been held in Brussels between Mr. Reuben Askew, President Jimmy Carter's special trade representa-

Bretons still

nuclear plans

FRENCH anti-nuclear power

station on a local coastal site.

favour of the plan to add two

The Plogoff campaign is

being orchestrated by local

district officials, who appear to

have wide support in the local

Town halls have been

occupied, making it difficult for :

the public enquiry which has

At a time of rapid develop-

ment in France's nuclear pro-

attracted backing from several

These helped to swell a week-

end demonstration which brought an estimated 20.000

communes.

900-MW units to one of France's

opposing

of GATT be used to impose polyesters produced from price-

The Commussion has said that man-made fibres have taken Britain, the U.S. price advantage dispute. has helped benst American pro-

EEC protests likely on

exports to the Soviet Union are Jenkins. president

the European Commission's erittersed

expected to be made by some EEC Foreign Ministers at a

essentially political decisions

without conculting the Council

month endorsed strong condem-nation of the Soviet invasion of

Afghanistan and committed the

Community to curbing us

to Russia at traditional levels.

But the Irish are particularly

upset at the new scheme the

Commission is introducing for controlling butter exports to

Russia since it provides only for

sales of butter out of interven-tion stocks. Ireland, however,

produces only the fresh product

and sees the move as a direct

Both Ireland and France

brought an estimated 20,000 protested against this at last credit arrangements to the people to the power station site. Thursday's meeting of per-Soviet Union.

attack on its interest.

the Chinon district of the Loire is expected of argue that the time needed to set region voted 242 to 200 in Commission has been taking sales arrangements

of Ministers.

At the same time, electors in the probable support of France.

Commission export curb

STRONG COMPLAINTS about manent officials and they also

moves to control agricultural delivered that day by Mr. Roy

meeting here today. The Soviet Union in the near The Irish Government, with future Officials later explained

The Foreign Ministers last eager to support American

export of agricultural products arrangements for surplus boof

BRITISH DEMANDS for special tric, and the European Com- ducers' market share from under night made it plain that the

the UK. The Commission has Northern Ireland on Friday to prevent said that it does not rule out assess the damage being done naphtha feedstorks being sold granting the request because of to the industry, but the Brusseis the heavy inroads made by U.S. Commission is anxious nevertheless to avoid protective measures to specific British curbs on the controlled oil and gas feed, that might prompt U.S. retalia-

possibility of antithere are no grounds for Com-munity-wide curbs, as the U.S. producers that could bit up to -1.3hn (5573m) worth of EEC only 6.9 per cent of the EEC steel sales, is being increasingly market. But it concedes that in linked to the man-made fibres

West German officials last

the

Commission. that there would be no sales of butter at all to

the Soviet Union in the near

that this was because of the

time needed to set up the new

aming some EEC members that the Commission is over

fracing sanctions on the agricultural front. They regard

with suspicion moves currently

this product to the Soviet

today are expected to include

the question of export credits.

official level there are signs

that member Governments may

agree to abide by the so called

OECD consensus on minimum

consultations at

Other points in the general

Union can be controlled.

discussion on

Following

under was to alter the sales

However, there is a suspicion

statement

4 per cent in 1977 to approach. Bonn Government intends to Britain has indicated that it ing 30 per cent by the end of appose import restrictions on plans to demand that Article 19 1979.

U.S. fibres and will instead U.S. fibres and will instead Herr Wilhelm Haferkamp, the press for further talks aimed at special duties or quotas on U.S. External Trade Commissioner, persuading Washington to lift polyester filament yarn entering is due to visit South Wales and the legal restrictions that the cheaper U.S.

> outside the U.S. France is understood to object grounds that the U.S. fibres might instead swamp the French market.

emphasised the need for urgent action and may well seek today to set in motion the process under which the Commission invokes Article 19 of GATT for

Spanish steel workers on 24-hour strike

By Robert Graham in Madrid WORKERS IN the three Spanish integrated steel companies-the state-controlled privately owned Altos Hornos Mediterranco, and the privately-owned Altos Hornos de Vizcaya-yesterday went on a 24-hour strike in protest at pay offers.

The Ensida strike is due to last eight more days, and also concerns the more complex problems of reorganisation.

The three companies are offering 4 per cent wage increases for this year. They are also trying to persuade the unions to accept a twoyear framework for a wages agreement and limit 1981 rises to 7 per cent. One large private special stee! company has already agreed with its workforce a 4 per cent increase for this year and

All three state companies however, financially roubled, the worst affected heing Ensidesa, whose 1979 losses are believed to be over \$100m (£44m).

fiscal policy By David White in Paris NORWAY has been urged to tighten fiscal policy, reduce government support for industry, and concentrate on repaying foreign debt, in a report published today by the secretariat of the Organisation

for Economic Co-operation and Development (OECD). The report emphasises the need for improved competitiveness if Norway is to maintain high levels of business activity

and employment. The gross domestic product is expected to grow by 3.75 per cent this year, compared with 3 per cent last year. Excluding oil and shipping, the organisa-tion's forecast shows a slowdown from 2 per cent to 1.75 ner cent. Consumer price infla-tion is forceast at between 6 and 7 per cent, compared with 4.75 per cent last year.

Exports are expected to increase at a slightly faster rate of 4.5 per cent in volume, compared with 3.9 per cent last year. Total imports are also likely to accelerate slightly. growing at 1.5 per cent. compared with 1.25 per cent in 1979. This should leave a \$3.1bm (£1.4bn) trade surplus, com pared with \$400m in 1979.

according to the organisation's forecas* The current account of Nor way's balance of payments should move from a Slbn defict to a Sl 2bn surplus. Industrial investment appear likely to increase sharply this vear, after an improvement in

export industries' profits. But the organisation better profitability and competitiveness is necessary to encourage fixed investments and maintain a viable balance of

The government sector's financial position is criticised "still not satisfactory from an economic point of view."



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As the ET221 electronic type-

makes them.

also makes less noise.

greater speeds than a golfball but On top of this, the Daisy wheel

TWO SENIOR Lebanese politi-cians, Dr. Selim Hoss, the Prime Minister, and Mr. Sulleman The Syrian Government countries to have endorsed the Franjieb, a former President, held talks in Damascus yester-day with Mr. Hafez Assad, the Syrian President, to persuade him at least to delay his abrupt decision to redeploy Syrian troops of the peace-keeping force in Lebanon. Their deparpower vacuum in Beirut and its

Dr. Hoss was reported to be asking Mr. Assad to delay the redeployment until the fiedgling Lebanese Army could take over. Dr. Hoss's visit to the Syrian capital was decided on at an emergency meeting with President Elias Sarkis of Lebanon after learning that the Syrian Government had served notice that Serian troops in the Beirut area would be pulled out within 36 hours. Syria has some 24,000 troops in Lebanon, in what was once an Arab League peace-However, the other Arab contingents with-drew some time ago, leaving only Syrian forces and units of the Damascus-based Palestine Liberation Army (under Syrian command) in the "deterrent

Iran President may

BY SIMON HENDERSON IN TEHRAN

ferences with other members of

where the Ayatollah is being treated for a heart condition.

14-man Revolutionary Council

Several other members of the

face confidence vote

office yesterday apparently swearing-in cerem-without resolving political dif- in about a month.

IRAN'S NEW President, Mr. general assembly before taking

Abolhassan Bani-Sadr, assumed a formal oath of office. The

After a meeting of the council dead are buried, Bani-Sadr on Sunday night, it was expec- warned that Iran's revolution

ted that Mr. Bani-Sadr, the would not win unless it was French-educated Finance Minis-ter, would not be sworn in as create a new order in which

President by Ayatollah deprived people are not going Khomeini, but simply recog- to be always deprived," he said.

Mr. Bani-Sadr was due to see meini. Ayatollah Khomeini's Iran's religious leader yester own son also spoke, reiterating day at the hospital in Tehran Iran's aim of cutting off the

are believed to be insisting that Soviet invasion of Afghanistan,

Mr. Bani-Sadr must receive a a position which Bani-Sadr has

vote of confidence from a adopted before.

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es with other members of In a fiery speech at the ruling Revolutionary cemetery in South Tehran

apparently wants to pull these forces back to join other Syrian contingents in the Bekaa Valley, in eastern Lebanon and closer The crucial point is that an important part of the Beirut-

based troops were stationed on the 5 km "Green Line" divid-ing the Moslem and Christian sectors of the capital. Mr. Fraujleh is a chief representa-tive of the Christians. The Syrians sent troops into Lebanon in the middle of 1976 to intervene in fighting between these two factions. The Palestimans have been supporting the Moslem left wing factions. But it has been a debilitating experience for several reasons.

First, it has been a severe drain on the morale and efficiency of the armed forces. Second, it has been extremely costly, perhaps as much as \$1m a day. Third, it has always contained the risk that Syrian forces might be drawn into a direct conflict with Israel. Indeed, on two occasions several Syrian fighters have been shot

Syria's decision to withdraw One quarter of the Syrian its troops also reflects its sense

where the city's revolutionary

Hojatolesiam Ahmad Kho-

Iran's aim of cutting off the influence of super powers, whether of the east or west.

Significantly, in a message from

his father, he condemned the

countries to have endorsed the Soviet invasion of Afghanistan. muster an alternative and coordinated policy to oppose the Egypt-Israel negotiations stemming from the Camp David agreements, and a realisation of its vulnerability to a serious clash with Israel.

<u>Ihsan</u> Hijazi adds Beirut: A delegation from the left-wing Moslem alliance, known as the "National Movement," was also in Damascus. The movement comprises 13 factions and militias which may take over positions in the pre-dominantly Moslem West Beirut which the Syrians will give up. The movement and Palestinian guerrillas were in control Lebanon's predominanti Moslem regions during the civil

While large-scale clashes ended, the tension continued ince the Lebanese parties and factions failed to reach national reconciliation. The Syrian withdrawal would bring the Moslem and Christian

combatants face to face again. Organisation, whose forces at helping the Palestinians and helped the Moslems during the their Lebanese left-wing allies.



civil war, was reported to have nade it clear it has no intention of getting caught again in Lebanese rivairy.

In the end, the Syrian move

should be seen more as a sign of gradual disengagement from the Lebanese crisis, although not from Lebanan altogether. ombatants face to face again. The redeployment may be The Palestine Liberation primarily aimed at Israel and

Egypt to pay interest on \$2bn Arab funds

BY OUR CAIRO CORRESPONDENT

TO SPARE the International In fact, the only deposits at Iraq in Egypt's central bank.

Egypt stopped paying interest had made requests for these deposits after the Baghdad Summit imposed sanc
Apparently no formal tions on it for signing the peace treaty with Israel.

The controversy over deposits surfaced last October when Iraq made a formal request to the IMF for the return of \$31.7m deposited with the Egyptian central bank.

Egypt invoked "special interest" to pre-empt moves by Kuwait and Saudi Arabia to press claims for the return of their deposits, amounting to \$937m and \$837m respectively. MANUFACTURERS HANOVER

Consolidated Statement of Condition, December 31, 1979

Cash and Due from Banks \$ 9,400,408,000

Interest Bearing Deposits with Banks 4,631,848,000

Total \$47,675,446,000

Total \$47,675,446,000

CORPORATION & Subsidiaries

Federal Funds Sold and Securities Purchased

Investment Securities

Trading Account Securities

under Agreements to Resell

(Market Value \$2,458,459,000)

[Market Value \$172,148,000]

Loans

Lease Financing Receivables

Total Loans (Net of Unearned Discount

Less: Reserve for Possible Loan Losses

Premises and Equipment

Customers' Liability on Acceptances

Accrued Interest Receivable

Other Assets

Savings Deposits

Sold under Agreements to Repurchase

Short-Term Borrowings

Acceptances

Accrued Taxes and Other Expenses

Other Liabilities

Loos-Term Debt

Total Liabilities

Outstanding-33,243.258 shares

Total Shareholders' Equity

Surplus

Undivided Profits

Federal Funds Purchased and Securities

SHAREHOLDERS' EQUITY

Common Stock (par value \$7.50)

Authorized-40,000,000 shares

Total Deposits

Monetary Fund potential em- issue were those of Kuwait. barrassment Egypt has agreed which are rolled over monthly. to pay interest on some \$2bn Saudi Arabia had undertaken (£882m) of funds deposited by not to start withdrawals until Kuwait, Saudi Arabia, Libya and 1981. But subsequent reports said Kuwait and Saudi Arabia had made requests for the

> Apparently no formal request to the IMF had been made by Kuwait or Saudi Arabia, but the Egyptian authorities fear a.campaign by Arab critics of President Sadat, to question Egypt's creditworthiness.

The Egyptian authorities claim that the IMF's arbitrating capacity extends only as far as seeing interest payments are honoured, and therefore, repayment of the principal is outside its terms of reference.

843,500,000

2,552,763,000

172,090,000

25,474,780,000

1,807,041,000

(243,945,000)

197,254.000

587.370,000

454,584,000

1,797,773,000

1,380,892,000

5.382.480.000

17,408,680,000

38,156,078,000

1,626,922,000

2,219,514,000

1,815,265,000

928,940,000

522.827.000

850,948,000

249.324.000

440,227,000

865,401,000

1,554,952.000

46,120,494,000

Baluchis bitter at army occupation

By David Housego. recently in Quetta, Baluchistan

N BALUCHISTAN, the vast and barren province of Pakistan which borders the Arabian Sea, there is little sign that Russia's invasion of neighbouring Afghanistan is seen as a threat. Instead, a reporter's notebook

is rapidly filled with the rhetoric of a people who feel bitter at having been cheated of self-government by successive Pakistani regimes, and who are now tempted to see in the Russians potential allies for their cause. Whenever I land in Quetta I

have the sense of entering a city under army occupation." says a respected local leader. He cites a list of Baluch grievances: a province of only 2m to 3m garrisoned by a largely Punjabi army, a state administration in Baluchis hold only a handful of senior posts; mineral wealth which has allegedly been neglected or is tapped

to the advantage of the rest of the country's 75m popula-What would be the reaction if the Russians were to descend on the province? "We would welcome them of course," says senior tribal (leader), with breathtaking abandon. His companion goes one further: "We would ask them why they did not come

earlier." left-wing politician trots out the familiar Russian defence of the invasion of Afghanistan, claiming the Russians were invited.

revolution of Noor Mohammad Taraki (who seized power in Afghanistan in April, 1978) must be defended at all costs," he says, "against those killers and mercenaries"—by whom he means the Afghan Moslem insurgents whom Gen. Zia-ul-Haq. Pakistan's leader. now to as fighters.

Much of this is wild talk. But it is still one of the ironles created in Pakistan by the Russian invasion that the province. strategically the most important because of its proximity to the Gulf. is also the most vulnerable, and the one where Gen. Zia's appeal for national unity in defence of the Islamic state falls on deafest ears.

The first concern of the Pakistani Baluchis is to achieve more autonomy to preserve their cultural identity—a goal they share with the Baluchis of Iran and Afghanistar.

As the Russians have already trained and armed some bundreds of Baluchis from all three states, Western diplomats have no doubt that they will embark on a subversion campaign to exploit Baluch discontent to the discomfort of Pakistan.

In this test of wills, the anxiety of many Baluchis is that the military equipment for which Pakistan was negotiating this weekend with Dr. Zbigniew Brzezinski, President Jimmy Carter's national security adviser, will eventually be turned on them.

With the voluntary exile of the more radical of the Baluch tribal leaders - Khair Baksh Murri and Sardar Ataullah Mengel — and the breakup of the National Awami Party. which once represented the aspirations of the Baluchis and Pathans for more selfgovernment

championing of Baluch interests has increasingly fallen on Ghaus Baksh Bizenjo and his newly created Pakistan National Party.

An advocate of compromise, who has served prison terms for promoting Baluch autonomy and been governor of the province as well. Mr. Rizenjo claims he is loyal to Pakistan and rejects armed violence to achieve Baluch goals.

Recently; the regime has taken steps to try and win over the Baluchis with more economic assistance and 300 more jobs for unemployed graduates. Such economic help is likely to accelerate.

But such programmes have only limited impact while Baluchis feel, as one leader puts it. that the military regime "wants to crush us with the stunt of an Islamic state and of Moslems being one people." leader as Taimur Shah, head of the large Pathan Kakar tribe, and a supporter of General Zia, has appealed to him for more local participation and self-government for Baluchistan, otherwise Russians will exploit the young students.

On the other band, unlike the neighbouring province of Sind. where the Government has not hesitated to imprison prolagonists of Sindhi nationalism. it has so far studiously avoided arresting well-know nationalists in Baluchistan for fear of provoking a clash. But Baluch politicians see recent warn ings by Gen. Zia and those close to him against "Left-wingers" and those prom-ing the "nationalities" as being dire

Pakistan seeks \$1bn from West and Moslem world

about \$1bn (£444.8m) in consortium or friendly Islamic economic aid for fiscal 1980/81 states in the form of balance-of-from Western donor nations and payments support that would

from Western donor nations and the Mostern world, officials dis-closed in Islamabad yesterday. This disclosure follows post-ponement of the U.S. aid package for Pakistan which was to have been put to Congress this week, after talks in Islamabad over the weekend between a U.S. delegation led by Dr. Zbigniew Brzezinski, and a Pakistan team headed by Gen. a Pakistan team headed by Gen. Zia-ul-Haq. Gen. Zia recently dismissed the U.S. offer of \$400m (£177m) aid as peanuts."

The calculation of \$1bn is

based on Pakistan's expected current account deficit, and amortisation payments, of \$1.8bn, of which \$800,000 would be covered by aid in the pipeline or SDR drawings. Of the uncovered \$1bn, Pakistan would hope to obtain

\$230m from debt rescheduling mainly from the U.S. Germany

It will be seeking the balance

PAKISTAN will be seeking from members of a Western aid avoid the need for further expensive short-term borrowing to cover the balance of payments deficit.

Consortium members could be expected to pledge about \$700m. but this would normally be as project aid and a sharp tussle is likely to result over Pakis-tan's request that it be rapidly available for balance-of-payments support.

Meanwhile, Mr. R. D. Sathe, the wake of the U.S.-Pakistan agreement to work for an extended multilateral pro-

attack from India. of substance is from his mission. Little

expressed by Gen. Zia and Mrs. Gandhi over Russia's invasion

Gen. Zia has rejected Mrs. Gandhi's proposals for a regional approach to security and is instead looking first to support from the U.S. and its pariners, China and the Moslem

India is less nervous about the actual volume of arms to be supplied to Pakistan — Dr. Brazzinski went out of his way on Sunday to try to allay Indian fears—than about the unpredictability of the martial India's Foreign Secretary, law regime in Pakistan, and arrived in Islamabad last night about the long-term implications of Pakistan's closer relationship with China and the Moslem world.

Gen. Zia's recent reference at the Islamic Conference here to realistically hoped it would embrace U.S. protection against attack from India sive about the growth of great-power rivalry on the Sub-Continent as a result of the after the sharply differing views Russian intervention.

Negative Indian growth forecast

A NEGATIVE growth rate of 3 to 4 per cent in the 1979-80 industrial production, which in short supply. Efficient public financial year ending in March stagnated from October to distribution should be develhas been forecast by India's December, shows no sign of oped to ensure commodities are National Council of Applied improvement. The stagnation is available at reasonable prices.

when it went down by 1.1 per cent compared with the pre-

growth rate target of 4.7 per

The council, in its latest report, says a phase of near stagnation has set in, and there are no visible signs of recovery. stop price increases for such Agricultural production is excommodities as cereals, oilseeds, pected to fall by about 7 per cent compared with the previous year (mainly because of last summer's drought).

Economic Research.

due to shortages of coal and Nevertheless, the report The last time there was negative growth was in 1972-73, efficient transport, deteriorating ing trade deficit, and says it industrial relations and political instability.

vious year.

Aggravating this bleak picThe Planning Commission ture is inflation, officially estilaid down an annual average mated at 21 per cent in 1979. The council's report suggests cent in the current five-year that while measures to check expansion in the money supply limited impact on prices, selective measures are needed to edible oils and sugar.

These measures would require efficient and timely use of foreign exchange to import budget will be postponed.

The council's report says raw materials and commodities was not being viewed with sufficient concern because of the steady inflow of about R30bn (£1.65bn) a year in remittances from Indians abroad. Now that the trade gap is widening, the council suggests that the liberalised import policy folwill continue to have only a lowed since 1977 should be

> The independent assessment has been unofficially confirmed by government economists, but is unlikely to be documented until March or April, since there are indications that the

Notice of Redemption

To the Holders of

KINGDOM OF DENMARK

9% Twelve Year External Loan Bonds of 1970 due March 1, 1982

NOTICE IS HEREBY CIVEN that, pursuant to the provisions of the Bonds of the about described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected through operation of the Sinking Fund for redemption on March 1, 1980 at the principal amount thereof together with accurate interest to the date fixed for redemption \$1,750,000 principal amount of said Bonds bearing

OUTSTANDING COUPON BONDS OF \$1,000 EACH OF PREFIX "M" BEARING NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

07 12 18 25 42 44 51 52 56 57 63 66 73 74 77 82 98 ALSO OUTSTANDING COUPON BONDS OF \$1,000 EACH OF PREFIX "M"

On March I, 1980, the Bonds designated above will become due and payable at the redemption price aforesaid in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts therein, and will be paid, upon presentation and surrender thereof in a negotiable form with all compans appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Department of Morgan Guaranty Trust Company of New York, 80 West Broadway, New York, N.Y. 10015, or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London, or Paris or at the main office of Privathanken A/S, Den Danske Landmandshank, Kighenhavns Handelsbank or R. Henriques it. in Copenhagen. Payments at the offices referred to in (b) above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained with a bank in-New York City. Compons due March I, 1980 should be detached and collected in the usual manner.

From and after March I, 1980 interest shall cease to accrue on the Bonds herein designated for redemption.

Ministry of Finance of the Kingdom of Denmark by: Morgan Guaranty Trust Company OF NEW YORK, Fiscal Agent

January 29, 1980

Total Assets

Deposits & Due

to Customers

Loans-Net

NÖTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

COUPON BONDS OF \$1,000 EACH 9890 11106 9895 11113 10217 11127 10327 11191 10337 11204 10483 11212 10527 11214 10770 11223 10780 11240 10850 11954 11058 11955 12127 12527 12276 13731 12302 12765 12406 13819 12406 13821 12521 13923 12547 13943 12770 12983 13019 14240 13402 14331 13413 14727 13421 14754

European American Bancorp Consolidated 1979 Results

•	1979	1978	% Increase			
Income After Taxes	\$21,011,000	\$14,138,000	+48.6			
Selected Balance She	Selected Balance Sheet Totals (in billions)					
	As of Dec	ember 31				
	1979	1978	%Increase			

\$6.956

3.700

5.930

+11.6

+18.1

+7.4

\$7.766

4.370

European American Bank

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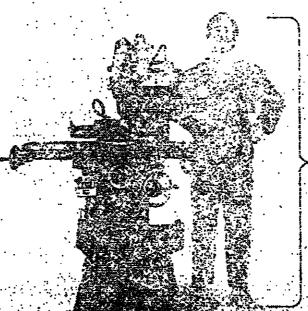
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COULD BE PROVIDING ENOUGH HEAD
FOR 30 WORKERS ALL WITH YERY HOW HEADER
AND VERY COLD FEET.



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COMPOSITION FROM
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Your bill could be huge.

Since last winter, oil has increased in price by over 40%, and in the next six months, you'll certainly be paying even more.

What can be done to cut your bill down to size?
The fact is, a lot of factory heating is literally going through

In our surveys, we very often find that industrial roofs are peppered with non-controllable ventilators, gaps under the

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All of which drain off expensively heated air as surely as

leaving the plug out of your bath.

Even if your workforce were 30' tall, they'd be very uncomfortable in the kind of temperature gradients we frequently

(Often into the 80'sF in the roof space of factories and warehouses, causing high structural heat losses.)

A Colt Wastemaster survey could bring down your heating costs dramatically.

We'll look at everything-doors, vents, cracks, the kind of machinery you use, the number of people you employ, how high your roofs are, the type of fuel you use.

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Carter support growing as Kennedy trails Republicans

TWO MAJOR public opinion Carter leads his rivals from polls released yesterday show that national support for President Jimmy Carter's foreign Reagan by 65 to 30, Mr. Bush policies has intensified not by 59 to 33, Senator Howard weakened in recent weeks and Baker by 63 to 30 and Mr. John has now made him a strong favourite to win re-election for a second term in the White

ouse. The Time poll gives Mr.
They also demonstrate that Carter a 38-point lead over Mr. Mr. George Bush has made big inroads into the once equally strong lead among Republicans enjoyed by Mr. Ronald Reagan and now matches up as perhaps the most effective Republican candidate in a head-to-head race against Mr. Carter.

Polls, are, as this winter's experience demonstrates, notoriously fallible, instruments, but the publication of the latest two, conducted for the Washington Post and Time magazine, must make doleful reading for the supporters of Senator Edward Kennedy from Massachussetts, who is seeking to intect new life into his campaign prior to the New England and of caucuses

both sides, topping Mr. Kennedy by 58 to 25 per cent, Mr. Counally by 73 to 21. Mr. Kennedy trials all the Respublicans except Mr. Connally.

Kennedy, 21 over Mr. Bush, 32 over Mr. Reagan and 35 over Mr. Baker. Senator Kennedy trials the three Republicans, his deficit ranging from three points against Mr. Reagan to 20 points against Mr. Bush. On the Democratic side Mr. Carter is given a 22 point lead over Mr. Kennedy in New England and apparently enjoys substantial advantages in two of the Senator's natural con-stituencies (catholics and blacks), according to the Time

Both surveys show broad public support for the President's specific policy proposals in response to events in Iran and series of caucuses and Afghanistan, such as partial primaries over the next month, grain sales embargoes, boy-In the Post's canvass, Mr. cotting the Olympics and renew-

ing registration for the military draft. The Time poll finds that more than two-thirds of those surveyed believe it best for presidential candidates to desist from dissecting the President's foreign policy and rally round

him instead.

Mr. Bush can glean much satisfaction from the two polls. He incurred a minor setback over the weekend in picking up ony one of a dozen convention delegates selected in caucuses in Arkansas (Mr. Reagan won six and Mr. Baker four, with the twelfth committed to no candidate) but has high hopes in New England where, according to the Time poll, he leads Mr. Reagan

by 55 to 24 per cent.
Overall, Mr. Reagan still commands the allegiance of more Republicans: the Post poll gives him 36 per cent to Mr. Bush's 26 per cent, Mr. Baker's 11 per cent and Mr. Connally's 5 per cent, while the Time survey gives Mr. Reagan a 41 to 34 per cent edge over Mr. Bush. But if independents are included. Time found, Mr. Bush, perceived as a moderate though in reality conservative, has a four point advantage.

Trudeau's election lead narrows

BY VICTOR MACKIE IN OTTAWA

A POLL commissioned by the 4 per cent from 2 per cent. CTV television network in The network's national poll Canada shows the Liberal lead surveyed 2,039 voters last week over the governing Conserva- when the Conservatives were tives narrowing two weeks receiving favourable publicity ahead of the election on Febru- for the Government's role in The number of helping six U.S. diplomats undecided voters has increased to 40.4 per cent of the elector-ate. large number of undecided voters makes it virtually im-Among decided voters, sup-

port for the Liberal Party, led by former Prime Minister, Mr. Pierre Trudeau, dropped to 46 Liberal lead has been halved per cent from 51 per cent in since the rescue of the Ameritwo weeks while support for the Conservatives rose to 33 per cent from 31 per cent. Support for the New Demo-

cratic Party rose to 17 per cent from 16 per cent and support Liberals 36 per cent, Progressive for other parties increased to Conservatives 23 per cent and

escape from Iran. However the possible to use the poll to predict the results of the election. In metropolitan Toronto, the

survey made public at the weekend: The Gallup poll gave the

cans by Canadian diplomats in

the NDP 18 per cent, with 15 per cent undecided. Gallup figures for Toronto, produced on January 19—before the Americans' escape-gave the Liberals 52 per cent, Conservatives 21 per cent and the NDP 17 per cent, with 5 per cent

Canada is to expel another Soviet diplomat in retaliation for the expulsion of a Canadian military attache from the Soviet Union last week Miss Flora MacDonald, External Affairs Minister, said yesterday.

The Soviet Union announced Tehran, according to a Gallup last week, the expulsion of Col. Harold Gold, Canadian Defence and Air Attache in Moscow, accusing him

seek closer Arab links

By Kim Fund in Caracas

SR LUIS RERRERA Campins yesterday began a 10-day tour of North Africa and the Middle East aimed at creating closer ties between the large South American oil producer and its Arab partners in the Organisation of Petroleum Exporting Countries (OPEC).

OPEC leaders to expand and and selective." Three other accelerate aid to non-oil developing countries affected by price increases and to promote greater cohesion among OPEC members in pricing and other

On the first leg of the tour, beginning yesterday in Algiers, Sr. Herrera was to discuss a joint Venezuelan-Algerian aid proposal made at the last OPEC conference in Caracas in Decem-The proposal calls for development agency with a \$20bn (£8.8bn) funds to help Third World nations.

Venezuela to Britain denies rift with U.S. over Rhodesia vote

Moderate government unable to contain increaing violence

El Salvador approaches civil war

BY DAVID TONGE

Saturday night.

The U.S. was among the 14 members of the Security Council Sr. Herrera will urge other representative, as "unbalanced Western countries, France. Norway and Portugal, also voted

in its favour. The British argued that the U.S. had been instrumental in toning down a strongly worded draft resolution prepared following a recent meeting of the Organisation of African Unity.

Mr. Donald McHenry, the U.S. agreement.

BRITAIN IS denying all numerous violations of the suggestions of a rift with terms of the Lancaster House Washington over the United agreement. It called for the Nations Security Council resolu- withdrawal of any South African tion on Rhodesia passed on forces, regular or mercenary, from Rhodesia.

It also sought the "speedy and unimpeded return of Zimbabwe exiles and refugees," resolution, described by Sir the release of all political prisoners and the confinement auxiliary forces to their bases. Britain chose not to participate in the voting rather than using its power of veto.

> Non-participation is a formula devised by the Chinese to express distaste for a particular resolution without casting a

The changes introduced to the resolution—one of which was to delete references to the Patriorepresentative, also said after tic Front as the sole legitimate the vote that the U.S. did not representative of the Rhodesian accept charges of British viola- people-decided Britain to let establishing a permanent OPEC tions of the Lancaster House the resolution through, although development agency with a agreement.

British officials said it could The resolution passed 14-0, hardly be less helpful to their expressed concern at the efforts in Rhodesia.

Swift reaction to FBI 'Arab' payments

By David Buchan in Washington THE BREAKING of a political corruption scandal in-volving one U.S. Senator and several Congressmen and undercover FBI agents offering payments on behalf of mythical Arab businessmen has set Washington agog and brought swift reaction ye day from Congress and the Administration.

The House of Representa-tives Ethics Committee will set up its own investigation, Mr. Charles Bennett, chairman, said yesterday. A partisan political note was injected by Republican leaders, claiming that 25 years of Democratic control had led to a climate of corruption in the Congress and demanding a full probe of the scandal.

Only one person has so far been named in the allegations which splashed into U.S. newspapers on Sunday.

Meanwhile, the Justice Department yesterday announced " an intensive investigation" into whether Federal employees, at the Department or the Federal Bureau of Investigation, leaked details of the two-year-old undercover operation to the Press.

Nevertheless, according to some reports, Federal Grand Juries will shortly be convened in several cities. In addition to the several Contions-which have not been denied in substance by Government officials — state officials from Pennsylvania, New Jersey, New York and Florida have been implicated.

The undercover operation was apparently begun by the FBI in 1978 with the limited aim of recovering some stolen art works and Government securities. But it was sub-sequently widened to encompass politicians susceptible to providing favours and legisla-

tive help in return for money. The most widely used ruse by the FBI undercover agents was to pose as working for Arab businessmen, including one with a company called Abdul Enterprises Limited, who among other things wanted U.S. citizenship or

residence for their "clients." Individual Senators or Congressmen can introduce private immigration bills into the U.S. legislature accomplish such an end. FBI agents on Sunday arrested an Immigration Service inspector in New York, the only wish action taken so far.

Those so far named have mostly denied the allegations that they accepted money, though some have admitted thta approaches were made. Two issues immediately arise One is of unfair pre-trial publicity.

The other is whether the FBI "entrapped" the politcians, who might argue that it was the agency that created any crime committed.
"Entrapment" is a complex
legal defence, much argued over in the courts, but to use it as a defence also usually involves a clear admission of guilt from the defendant. In the case of a Congressman, he is then answerable to his constituency, or indeed to the Internal Revenue Service, if he fails to declare the money

Pact to boost Soviet-Afghan trade

BY DAVID SATTER IN MOSCOW

signed a trade agreement with Afghanistan for 1980 which will boost Afghanistan into one of Afghanistan as it buys. the Soviet Union's largest Soviet exports in 1980 the Soviet Union's largest Soviet exports in 1980 are to trading partners in the Third include industrial equipment,

The Soviet news agency Tass reported that the Soviet Union and Afghanistan will increase their trade by 70 per cent, which should raise its value to about Roubles 530m (£371m).

Soviet-Afghan trade for the first nine months of last year had a value of Roubles 233.3m

The Soviet Union will import natural gas, which accounted for almost half of Afghan sales to the Soviet Union in 1978, cottou, dried fruits, wool, carpets and hides.

The Soviet Union has been amainr donor of aid to Afghan. was expected to top a major donor of aid to Afghan-

THE SOVIET UNION has Roubles 310m for the year, with signed a trade agreement with the Soviet Union exporting almost twice as much to

motor vehicles, ferrous metals, oil and oil products, cement, fertilizers and household goods. The Soviet Union will import

istan for the last 25 years, but Soviet economic involvement in the country increased greatly after the April, 1978 Marxist coup. Trade turnover apparently increased 44 per cent in 1979 compared with the previous year setting the stage for the even greater expansion envisaged for this year.

Besides India and Iraq, which

are the Soviet Union's largest. Third World trading partners, cotton, dried fruits, wool, carpets and hides.

The Soviet Union has been Third World are Vietnam, Third World are Vietnam, Mongolia and Libya.

 Yugoslavia will export more than IIm pairs of shoes to the Soviet Union this year, worth about Dinars 5,000m (£110.5m) according to the State news agency, Tanjug, AP-DJ reports from Belgrade. Several hundred thousand pairs of footwear have been

carmarked from Moscow de-partment stores alone, the report added.

Tanjug was quoting sources of the federal Chamber of Economy here following a meeting of Yugoslavia's shoe manu-

EEC to tackle Turkish problems

EEC FOREIGN Ministers will foreign and economic policy. today be confronted with the need to breathe new life into a flagging relationship with a strategically important ally—
Turkey. On the same day, a meeting of the Community's meeting of the community and the community of the community and the community of the community o Foreign Ministers' Council will be presented with a report on EEC negotiations with Yugo-

slavia. The Ministers will sit at the first formal meeting of the EEC-Turkey Association Council for nearly three years. This follows an initiative launched at the end of last year by the new Government of Mr. Suleyman Demirel, to revive political and

negotiations on the mutual reduction of tariff barriers. On Yugoslavia, there is dis-

appointment over the failure to

conclude a new trade and political co-operation agreement by early this week, but the prospects of an accord within a month still look promising.

EEC Ministers expressed their eagerness for a swift agreement early last month, under the stress of the Soviet trading links with the Com- invasion of Afghanistan and munity as a cornerstone of its President Tito's illness. But

their fervour has caused Yugoslavia some embarrassment since intermittent discussions have been under way for two years and the Yugoslavs do not want to give any appearance of sacrificing their non-aligned status and leaping into the Western camp because of curreat troubles.

At today's meeting, the European Commission will again take up the issue of advanced guaranteed export rebates for the Community's surplus beef production to allow member governments time to decide whether to set up a control system which could prevent excessive quantities going to the Soviet Union.



Premier Demirel

In 1979 the Community sold 40,000 tonnes of beef to the

Go-ahead near on Iran project

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

AGREEMENT "in principle" to resume work on the Y700bn (£1.3bn) Iranian petrochemical project sponsored by the Mitsui group has been reached as a result of a meeting between Mr. Eimai Yamashita, senior director, and Iranian officials in Tehran.

Actual work on the project, which is already 85 per cent complete, cannot be restarted. however, until a number of and to increase local Iranian legal and financial issues have participation in the final stages been settled. One obstacle is of the work. the existence of a wide gap between Iran and Japan on the that work can get under way finish the project.

terms of construction contracts again by the spring, but this is which are being renegotiated to entirely dependent on the prowhich are being renegotiated to take account of price increases during the suspension period. Disagreement also exists over the number of Japanese technicians who will be allowed to work on the project and on whether Japanese whether the Japanese employees will pay insurance premiums in Iran or Japan. Iran wishes to restrict the number of Japanese workers

gress of negotiations on detailed issues. What appears certain is that both sides are genuinely anxious to complete the project. Meanwhile, Iran is to call an

international tender for the construction of a 2,000-megawatt power station in Teheran, Power Minister Hassan Abbaspour announced. He also said that a contract to complete a power station at the southern port of Bandar Abbas would be given to another company if the Mitsui has said that it hopes original contractor refused to

Dorsch in Hijaz railway study

BY RAMI G. KHOURI IN AMMAN.

DORSCH CONSULT. Munich-based consultants, have Abdul Hamid between 1900- can Railways has awarded a beaten two American-led con- 1908. sortia to win the \$4.7m contract for technical and economic Transport Under Secretary, said (£13.6m) to the European 50 feasibility studies for reconstructhat plans are to rebuild the line cycle consortium, it was ting the 700-mile long Hijaz rail- in standard gauge track, though announced at the weekend.

way, linking Damascus in Syriz the feasibility study will de- Siemens the South African with Medina in Saudi Arabia. The contract, to be completed within 10 months, was signed

rebuilding the single-track, ular. narrow-gauge railway that was

Mr. Hashem Taher, Jordan's motives, valued at R25m

termine whether this will be in single or double track configura-

Quentin Peel in Johan-tured.

the built by the Ottoman Sultan nesburg writes: South Africontract for 25 electric loco-

Siemens, the South African representative of the consortion. The rebuilding which tium, which includes AEG Telehere with the Higher Commit-would be completed in the late funken and Brown Boveri of tee for the Reconstruction of the Jordan and Saudi Arabia. West Germany, Alsthom is Hijaz Railway, a tripartite minis- 1980s would create a standard France and Belgium's ACEC, terial committee including Syria, gauge rail link stretching from said some 40 per cent of the Dorsch's study will determine northern and western Europe to value of the contract - prithe optimum configuration for the heart of the Arabian penin- marily the mechanical portion -would be locally manufac within 16 months.

signs accord with Italians ROME - Mozambique has

Mozambique

reached agreement with Italy on the African socialist nation's first comprehensive economic pact with a Western nation.

The accord foresees that Italy will enjoy preferential treatment in obtaining access to Mozambique's coal, urantum. petroleum and natural gas resources, said a Government announcement.

In return Italy will extend the African country an aid grant of L10bn (£5.5m) and a credit line of L90bn (£49.5m). Italian companies will also carry out several projects in the country, electrical - network, telephone systems and a textile plant.

Sig. Siro Lombardini. the Industry Minister, plans to visit Mozambique next month to discuss a contract to obtain between 2m and 3m tons of coal.

 Saipem, the engineering subsidiary of Italy's state energy group Ente Nazionale Idrocarburi (ENI), has won a contract against international competition to build an oil refinery in

Value of the contract is more than \$35m. The refinery will have annual capacity of 10m tons and is to be completed AP-DJ

Bank of Tokyo, Eximbank | Olympic Airways finance to open Peking offices

Tokyo will open offices in National Oil Corporation, said Peking this year, becoming the that with the money, Pertamina first Japanese financial institu-tions in China. Officials of the in its oilfields at Kuala Simpang. Bank of Tokyo said the Peking office will open later this month. Eximbank officials said its office 10m barrels over the next 10

The Bank of China, China's foreign exchange bank, is scheduled to set up its office in Tokyo, probably in March.

● Indonesia Nippon Oil, 2 Japanese investment concern for Indonesian oil development, has signed a contract to supply Y7bn (£13m) loan to Pertamina, Indonesia's state-run oil company, to help increase its per cent from Japanese com-oil production in North Sumatra mercial banks. oil production in North Sumatra

TOKYO—The Export-Import The Japanese company, Bank of Japan and the Bank of affiliated with the Japan North Sumatra, and at Cemara Selatan, Java, to produce nearly is expected to go into business years starting next March, it

Under the contract, the Japanese will in return get 40

output at Indonesia's Government sales prices without surcharges imposed, it said. Indonesia Nippon said it expected about 80 per sent of the loan to be put up by the semi-official Export-Import Bank of Japan, with the remaining 20 Agencies

don yesterday.

per cent of the projected oil

for three Airbus A300s

FINANCIAL TIMES REPORTER

and spares was signed in Lon-Midland Bank International.

Credit Lyonnais and Deutsche Girozentrale are leading syndicates providing the finance from the UK, France and Germany, in line with national stakes in Airbus Industrie. Midland is the agent bank,

The financing consisting of export finance would be \$95m backed by the Export Credits Guarantee Department, Coface and Hermes, and a \$35m Euroloan over 15 years with a spread of ‡ per cent over Libor for the first 10 years and ‡ for the last

A \$120m (£54m) credit package • Parliamentary approval is to to enable Olympic Airways to be sought to extend for a further purchase three A300 Airbuses wear from March 1980 the year from March 1980 the powers under which Britain ECGD operates its cost escalation scheme for export contracts. The scheme applies to export contracts worth £2m or more with a manufacturing period of two years or more. Since the introduction of the scheme in 1975, 17 guarantees have been issued for exports with a total contract value of £520m. A further 10 cases involving contracts worth some £458m are in active negotiation

 Pakistan International Airlines has ordered a 747-200B combi let from Boeing to be delivered in March, Reuter reports from Seattle.

BOTB EXPORT CAMPAIGN

Failure to stimulate shop floor

BY LORNE BARLING

floor workers more aware of the importance of export orders have recently been centred on an advertising campaign in the popular Press. But the results have been disappointing. The campaign has failed to stimulate significant new interest in the Board's Export United campaign which was a

follow-in from the Export Year in 1977. A new strategy is now being tried in areas of the country where local support is already strong. One of these areas is the East Midlands. Here two of the major industries, textiles and footwear, have suffered from soaring imports and there is

dustry.
The area's regional committee is arranging a heavy programme of events-ranging from semi-

also a need to improve export performance. But the biggest

target is the engineering in-

EFFORTS BY the British Over-trizlists and trade unionists seas Trade Board to make shop given by the Lord Mayor of Nottingham-in a bid to make an impression on the shop But despite trade union repre-

sentation on its committee the Export United organisers admit that the only way to reach production workers effectively is through management. But they have been disappointed at the level of management participation in the campaign. In the East Midlands a num-

ber of regional sub-committees have been formed to encourage participation more widely, and new schemes are being introduced to assist exporters in general.

The Department of Trade office in Nottingham, for instance, has drawn up technical details of what each textile company in its area produces enabling it to direct overseas enquiries to specific companies. whose director of sales and marnars to a dinner for indus- So far the results have been keting, Mr. Kenneth Collins, is

good and though other indus- chairman of the Regional Comtries are less diverse it is hoped that this principle can be extended. Mr. Brian Varley, director of

exports for the BOTB in the area, also believes that com-panies must be urged to concentrate their efforts on markets with good potential, particularly those where political change opportunities, countries are Nigeria and

'There is evidence that in Nigeria exporters could soon achieve the same level of business as they were doing before the problems of last year, he said, adding that the BOTB's Tropical Africa Advisory Group would be reporting to the East Midlands after a visit in February.

One of the most active participants in the area have been Ti Raleigh, one of the world's largest bicycle manufacturers,

mittee. He pointed out that his company's problems in Iran and Nigeria, last year, were made known in detail to the workforce particularly their effects on profits. He believed this was essential for good industrial relations.

According to the BOTB there is firm evidence that companies which introduce export information schemes, particularly in relation to large contracts, benefit from better co-operation on the shop floor.
But if Export United is to be

effective, it is clear that more company managements must be persuaded to take part. It is hoped that committed and active exporters such as Mr. Collins can persuade them to do so. With export markets proving difficult, and the prospect for domestic sales now looking in-creasingly flat there is every reason now for companies to improve their exports competi-

THE PESSIMISTS were probably right all along. El Salva- juring scores more. dor, the smallest and most overcountry in the Americas, is in all likelihood on the verge of a bitter, bloody and long drawn-out civil war which will make the revolution and overthrow of the Somoza dictatorship in Nicaragua last year seem like a clean and brief surgical operation. Everything suggests that the 4.5m. Salvadoreans will this year find themselves in the centre of a maelstrom in Central America, an area which the U.S. considers of no little strategic importance. The continuing conflagration in El Salvador could well spark off new troubles in the already violent

and troubled Guatemala, and perhaps too in Honduras. Put in its simplest and crudest terms El Salvador is now witnessing a determined attempt by moderate Left-wingers and extreme Left-wing groups to put an end to a social structure which has concentrated power in the country in the hands of a small oligarchy, the so-called "Fourteen Fami-lies."

have failed, at least for the moment, and the extreme Right and the far Left are now preparing for what they imagine will be the final showdown.

macabre way last month when Right-wing forces—according

The moderate Left-wingers

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT The present situation in the country is rooted many decades ago in the establishment of a

prosperous coffee industry. great deal of money and began buying up large tracts of land which hitherto had been tilled in a more or less primitive way by the peasantry.
In the 1920s and the early
1930s rural agitation was widespread. But in 1932 General Maximillano Martinez put a

stop to agitation in El Salvador with his massacre of 20,000 opponents. Since his day every government has been headed by a military man and the division between the rich minority and the mass of the population has

In the 1970s the military and more conservative elements in El Salvador had to make in-creasing use of political terror and ballot rigging if they were to contain the pent-up frustration. Until the arrival of President Carter. Salvadorean governments could count on the support, or at least the silence, of the U.S. government.

The speed of events in Nicaragua last year, however, jolted not only the Salvadoreans but also the U.S. Fearing a new contagion of Left-wing ideas from Nicaragua many richer extremists who dismiss the salvadoreans rallied closer colonels' reformist attitudes.

150,000, killing dozens and in- tory in the 1977 elections was certainly fraudulent. As Gen Somoza quit in July 1979 Washington abruptly joined the critics of Gen. Romero and on October 15 he From it a few families made a was ousted in a coup led by two great deal of money and began colonels, Jaime Abdul colonels, Jaime Abdul Gutiérrez and Arnoldo Majano. It is reasonable to suppose that the two would not have moved

> of training.
> Their manifesto was uncompromisingly reformist, and in the government they formed they co-opted social democrats the Revolutionary National Movement (MNR) and members of the cautious Salvadorean Communist Party. Despite their announced pro-

without at least the tacit approval of the U.S., where both

them had undergone periods

gramme, the colonels were unwilling or unable to make any effective start on real reform and this month the social democrats and Communists resigned, leaving the military to limp on ineffectually with the Christian Democrats. It seems now that the vacuum of power is being filled by the three tougher Marxist-Leninist parties, each of whom has its guerrilla wing. One of these kidnapped two British bankers in San Salvador in November 1978. Against them

Just how bloody politics can Salvadoreans rallied closer colonels reformist attitudes. become was illustrated in a round the idea of repression at While the two sides fight While the two sides fight it out in El Salvador the economy macabre way last month when any cost.

Right-wing forces—according The centre and the Left, crumbles. The gross national to some sources, troops in civi-tiring of more than a decade of product, which in 1977 grew at lian clothes—started firing in-discriminately into a Left-wing against the rule of Gen. Carlos according to some estimates, protest march of perhaps Humberto Romero, whose vic-down to less than 2 per cent



last year. According to other authorities. GNP actually fell 3.5 per cent. Terror tactics and work stoppages contributed to the closing of a score of fac-tories last year and many of the foreign business community have fled. Britain is closing its embassy and El Salvador has lost an estimated \$10n in capital taken

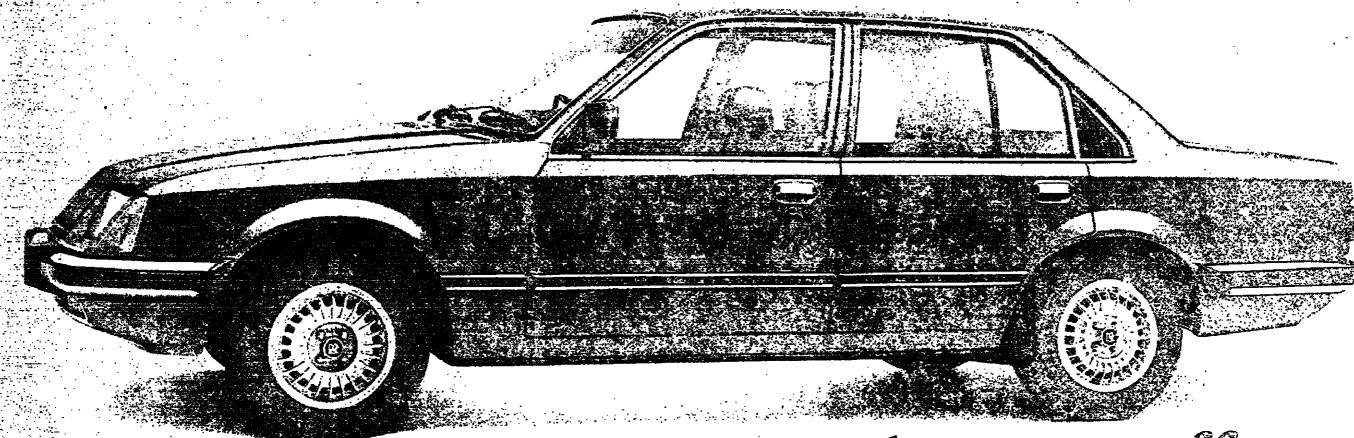
hitting the main export, which last season paid for more than half the import bill of around extremists, however The have little regard for the eco nomic consequences of their violent confrontation. With the denuded government coalition incapable of imposing calm, even the optimists will admit

that things are likely to get

worse in El Salvador before

out of the country. Now comes

the threat of coffee disease



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Oil consultant hits at North Sea 'chaos'

BY RAY DAFTER, ENERGY EDITOR

in the North Sea policies of successive Governments were strongly attacked yesterday by a leading international oil con-sultant, Mr. Peter Gaffney, a senior partner in Gaffney, Cline and Associates.

The supplying industry was plagued by the swings in demands, he said.

North Sea exploration and work hampered by a shortage of drilling rigs. Owners of these rigs moved them to other parts of the world when drilling activity in UK waters declined significantly in 1978 and 1979.

According to a new set of the launch of a series of UK atistics by Gaffney, Cline oil activity indices covering statistics by Gaffney, Cline drilling at the end of last year was less than half that in the peak year of 1977, measured on an index basis. North Sea operators found it difficult to attract back many of the rigs which had been moved away, said Mr.

UNITED KINGDOM

OFFSHORE ACTIVITY

THE "CHAOTIC" CHANGES situation. The problem has not in the North Sea policies of been lack of prospects—there are plenty of those-but it has been legislation that has been controlling the rate of activity. This is bad for those trying to build an industry serving those involved in offshore drilling."

He said the number of drilling rigs used in the U.S. swung from over 2,000 in peak periods,

"But at least, 1,300 rigs pro-vide, a reasonable base for industry. Our problem in the North Sea is that in slack periods drilling activity goes back to almost zero."
Mr. Gaffney was speaking on

exploration, discoveries, con struction expenditures and development work. The indices, to be published

quarterly, trace the progress of North Sea activity since 1965. They have a common base date of 1977, the year when offshore Gaffney.

"We are faced with a chaotic operators were busiest.

shows how drilling work has fallen in the past two years. At the end of last year the index of drilling activity was 47.8 against the 1977 average of 100. against the 1977 average of 100.

The exploration index was 649 at the end of 1979, the lowest level since early 1974. New oilfields are becoming harder to find. An analysis of drilling success rates shows one exploration well in 12 now finds oil or gas, against one in three or four in the mid-1970s.

The index of development.

The index of development reflecting the size of reserves being exploited, shows that at the end of last year activity was slightly above the average 1977 level.

Level of expenditure has soared to an index of about 146.

This reflects not only the sig-nificant amount of reserves being developed, but also rising production costs. As fields become smaller and companies are forced into remoter areas, the cost per

Legal representatives underwriters

ance community. Cargo underwriters are understood to have received papers relating to claims on the cargo insurances late on Friday after-

noon from Shell, and Clyde and Co., lawyers acting on behalf of the cargo underwriters, are considering the position.

Belfast air link 'must improve'

John Nott, Secretary for Trade, in a letter to the Civil Aviation Authority dismissing an appeal against being denied the Heath-

British Midland applied for the route last May, on the basis that it could make a better job of it than BA, but was refused a licence by the CAA, even though there was strong criticism of British Airways' handling of the route at the

decision he noted criticisms of British Airways' handling of its BRITISH CARGO AIRLINES all-cargo airlines in recent that "the commercial viability Heathrow-Belfast route, includdast year by the merger of IAS months. They have undercut of that (CL-44) fleet will be kept ing delays and sometimes Cargo Airlines and Trans rates substantially in the UK. under review, and if the climate ing delays and sometimes cancellations.

Mr. Nott reiterated the authority's advice to British Airways to remedy the shortcomings of its Belfast operation "or face the threat of the authority being receptive to a future application like that of the appellant (British Mid-

seven airports owned by the British Airports Authority rose 7.4 per cent last year, to reach

Report on Salem

BY JOHN MOORE

to **DPP**

goes

A PRELIMINARY report pre-pared by the Metropolitan and City Police company fraud squad, which has been investi-gating the mysterious circumstances surrounding the sinking of the oil tanker Salem, has been passed to the office of the Director of Public Prosecutions. The report, passed to the DPP yesterday, details the initial findings of the UK police into the loss of the Salam, a 213,928 dwt very large crude which was bound from carrier, which was bound from Kuwait to France with a cargo of 193,132 tons of crude oil, insured for \$56.3m, which Shell

a Swiss company, Pontoil. The 1969-built ship bought by the Oxford Shipping Company, registered in Liberia with an office in Texas, only a mouth before, sank off the West African coast on January 17 after a series of explosions.

had bought in mid-voyage from

A Tunisian member of the crew has stated that the bulk of the oil cargo was discharged at Durban after an unscheduled stop and replaced with sea-water so that the ship would appear fully loaded. He has alleged that the crew were given bonus payments and told to

Lloyd's London insurance company underwriters have taken evidence from the crew member, and are preparing a case to resist an \$18m claim on the hull insurances—a claim which will fall on the London insur-

BRITISH AIRWAYS must improve the quality of its Shuttle air service between Heathrow and Belfast, or face the possible loss of its licence on that route. This is made clear by Mr.

row-Belfast route.

public hearing
Mr. Nott said in coming to his

• Passenger traffic at

Vets fear EEC 'liability' proposals

ACCEPTANCE of current EEC proposals on product liability could cause "im-mense" problems for veis, the profession's weekly jour-nal Veterinary Record, warms in its current issue.

In a leading article the journal says the proposals would seem to make vets responsible for adverse reactions to products administered to animals, whether those reactions were known or not.

The proposals would impose strict and virtually unlimited liability, the article states. Adverse reactions do hap-

pen with medical products," it says. "When they are it says. "When they are known the client can be viously unknown reaction occurs the veterinarian will unknown reaction be liable even though he could not have known the

record - keeping problems posed by the need to be able to identify the preparations given to particular animals. "How, for example, could one identify every bird in a flock of 20,000 chickens?" it

There would also be diffi-enities with generic medi-cines where it might be impossible to pin down the source of a particular batch. The British Veterinary

Association, which publishes Voterinary Record, fears that the proposals, if accepted, could lead to an excessively defensive attitude in vets with resulting disadvantages

with resulting disadvantages for elient and patient.

"As it is," the article states, "the consumer would be better off under existing conditions. The new proposales may be all very well for washing machines. Medicines require separate treatment.

End-of-year spending less buoyant than hoped

Spending in the shops at the higher than in the previous end of last year was much less buoyant than initially estimated -pointing to a general weakening in consumer confidence.

The volume of retail sales in December is now estimated at 112.4 (1971=100), according to the final seasonally adjusted index published yesterday by the Department of Trade.

This compares with a provi-sional estimate of 113.5 announced in mid-January and a revised November outcome of

Weakening in consumer conidence is suggested by a sharp fall in new credit extended by finance houses, other specialist consumer credit grantors, and retailers in December.

New consumer credit extended in December was £592m (seasonally adjusted). This compared with £698m in November and was the lowest monthly figure since April, 1979.

at the top and bottom ends of

Labour Government in welfare

A special article in Economic

Trends, the monthly journal produced by the Central Statistical Office, shows that in

1973 the net impact of taxes.

welfare benefits and subsidies

was to reduce the top 20 per

cent households' share from 44

per cent of original pre-tax income to 37 per cent of final

was 1 per cent throughout the spending.

spending and taxes.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE DISTRIBUTION of final impact of taxes and benefits was

disposable income between those to boost this group's share of

the range hardly changed dur-ing most of the 1970s in spite of This stability was in spite of

In 1978 this group's share of origins! income plus cash original income was still 44 per benefits in 1973 to 12 ner cent cent and was cut to only 36 per in 1976. Subsidies also rose

cent after taxes and transfer faster 'h'n incomes and so, payments.

income of the bottom 20 per cent service and educational

1973 to 1978 period and the net The Central Statistical Office per cent.

quarter. An increase in lending by finance houses and other specialist grantors more than offset a fall in lending by

These figures are in current prices and the rate of price inflation was much greater in the period, so there was a fall in the volume of new hire purchase business towards the end of 1979.

Hire purchase lending in 1979 was 21 per cent higher than in the previous year, implying a sharp rise in the volume of activity, particularly to finance

the buying of cars.

The average volume of retail sales in 1979 was about 3 per cent higher than the annual average for 1978, a smaller rise than the retail trade expected earlier in the year.

The Department of Trade noted that "sales in the fourth quarter of 1979, although probably boosted by the backdated Advances in the past three reduction in income tax which months of 1979 were 4 per cent began to take effect in the

Spread of income little changed

final income to 8 per cent in

big changes in government policy under Labour. For

example, direct taxes as a

proportion of average house-

hold original income plus cash benefits, such as retirement pensions and unemployment

benefit, rose from 16 to 20 per

cent between 1973 and 1975 before falling back to 17 per

appreciably faster than the

increasing from 10 per cent of

The share of original pre-tax benefits in kind such as health holds contained 26 per cent of

benefits

households,

cent in 1978.

middle of October, and by the pensioners' Christmas bonus paid in December, were about I per cent below the average level of the previous two quarters."

The volume of sales by durable goods shops in the last three months of 1979 was about 4 per cent lower than the average in the previous two quarters, which included the pre-Budget spending sprec. Sales in clothing and footwear shops rose 2 per cent. Other non-food shops, including department stores and mail order businesses, experienced a per cent drop in the volume

There was little of business. There was little change in sales by food shops. The volume of sales in both food and clothing and footweat shops rose by 3 per cent in 1979. while durable goods shops boosted sales volume 5 per cent. Trade in other non-food

shops increased 2 per cent. The value of retail sales rose 14 per cent last year compared

comments that the stability in

distribution of final income is

partly because the distribution

of shares of original pre-tax

and was £1,710 for the lowest

20 per cent. This was after the

top 20 per cent of households

direct the and received force

henests while the lowest ?" ner rent had paid £10 in direct ton

and received \$1,470 in benefits

The ton 20 per cent of house

the population while the bottom

30 per cent contained only 13

effects

over the period.

Moreover, the

the percentage share of the

Rule review 'needed at Lloyd's'

DISCIPLINARY procedures at Lloyd's of London need urgent review, according to Mr. Peter Green, Lloyd's new chairman. Mr. Green says in the organi-sation's publication Lloyd's Log that it has "become clear that the disciplinary procedures, which have served Lloyd's well for over 100 years, are not surfor over 100 years, are not sur-prisingly in urgent need of re-view. After a long period of apparent calm such a situation has, not unnaturally created wide publicity."

A series of scandals has recently hit the Lloyd's market.
Mr. Green says Lloyd's has grown faster in the past five years than at any other period and so have individual risks. 'In terms of value there is a

vast difference between the Stratograiser and Concorde, the Liberty ship and the latest container ships, and the first offshore oil drilling rigs and the vast multi-million-nound production platforms which we now insure," he says.

"The claims when they occur are inevitably much larger than in the past. Many of the prob-lems which also appear to be much higger too are often due to errors of underwriting judg-ment."

Midland Rank opens Brussels EEC office

income showed little change MIDLAND BANK has opened an EEC office in Brussels, mainly to help UK companies changes in the redistributive obtain grants and assisted finance from the European Comcomponents such as cash benefits often tended to offset one mission and the European Investment Bank.

Midland claims that the office The average disposable income of the top 20 per cent of households in 1978 was £8,250 is the first of its kind to be opened in Brussels by any European bank The office, at 15, Rue de la

Loi, is headed by Mr. Dermot Gleeson. The phone number is Brussels 230 0385. had baid on average to 390 in

Writ for builders

A YORK building constr company is being sued for £1m by Hull Corporation over damp and condensation problems in blocks of flats. Mr. Ian Watt, senior principal solicitor to the corporation said it may take 16 months to deal with the claim.

Plessey job losses

PLESSEY in Swindon is plan-ning to make up to 25 staff redundant at their plant on the Cheney Manor industrial estate. The company hopes to find jobs under review, and if the climate for some staff elsewhere within the company.

Leasing guide

A WORLD directory of organisations concerned with the leasing industry has been issued by Hawkins Publishers, the company which produces the magazine Leasing Diggst World

British Cargo to sack 44 more

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

meridian Air Cargo, is making Scheduled passenger airlines improves termination dates will the more Stansted employees with big cargo holds in their be deferred and possibly canthe number laid off there since the merger.

that this decision was taken to of grounding or disposing of reduce costs caused by rises in some of its CL44 turbo-prop fuel and other expenses and aircraft about 39 CL44 crew "an unimproved level of members would also be placed trading."

The airline, a specialist all- February 1. sary, provide cargo operator, has faced severe Mr. Alan Stocks, managing significant v competition from Continental director of British Cargo, said conditions."

under 90 days' notice from material changes will be neces

redundant from the end of this wide-bodied lets have also taken celled altogether, month. This will bring to 170 much of the business. "If other cutb "If other cutbacks are considered necessary, they will be British Cargo said that it was he merger. concentrating its activities at implemented progressively,
The company said yesterday Gatwick, and that in anticipation although with the return to ser-

vice of the two DC-8 aircraft which were out of commission for an extensive period we cannot envisage that any further sary, providing there is not a significant variation in market

magazine Leasing Digest. World Leasing Yearbook costs £11.50, from Hawkins Publishers, Stan-field House, 32 Church St., Coggeshall, Essex CO6 1TX.

NEW DEVELOPMENT CORPORATIONS TAKE CHARGE

Bringing new life into docklands

BY ANDREW TAYLOR AND ROBIN PAULEY THE GOVERNMENT'S con-stantially understates the approach his Cabinet colleagues

new agency to mastermind the for successful redevelopment of London's London's docklands.

decaying docklands is the latest in a series of "new initiatives" ing up to £800m, to provide which have so far largely failed major new road and underto attract new industry and commerce to the area.

Under the Local Government Planning and Land Bill, which receives its second reading today, two urban development corporations are to be created. These will have complete responsibility and authority for the redevelopment of more than 8,000 acres of dockland in London and Merseyside.

Mr. Michael Heseltine, Environment Secretary and initiator of the plan, has charged the corporations with attracting private sector invest-ment into docklands. He is difference between accepting in understood to have chosen Mr. principle the need for major Nigel Broackes, chairman of sections of new infrastructure Trafalgar House, the construction and finding the cash to pay for tion and shipping group, to it head the London development

corporation. The corporations will have wide-ranging powers, including the right to acquire land compulsorily. They will have an initial combined budget of £200m, with provisions in the Bill to raise this to £400m.

troversial plan to establish a amount of public money needed

ing up to £800m, to provide major new road and under-ground rail links with dock-lands. This could involve the construction of five new rail tunnels and three road tunnels under the Thames. The lack of adequate access routes linking the declining docks area with the more affluent parts of the capital and the South-East has been a major

factor behind private sector reluctance to play a significant role in the redevelopment of docklands in the past 15 years. Plans to build many of the new road and rail links are advanced, but there is a big

includes provisions to spend £2890m extending the Jubilee underground rail link into docklands. But how much of However, this figure sub- have chosen a worse time to

for more cash with the Govern-ment desperately seeking to find new areas for spending cuts. He can however, argue that

the Cabinet has an obligation

provide the necessary financial support as it agreed the legislation establishing the urban development corpora-tions. He will leave his colleagues in no doubt that they must put their money where their collective mouth is. The new legislation has already met with stiff opposition from the five Labour controlled councils—Newham, Southwark, Tower Hamlets, Greenwich and Lewisham. Together with the Greater London Council, they are presently repsonsible for re-

Joint Committee. The local authority leaders bitterly resent the establishment of a new body at a time when The London Transport Bill, much of the site preparation presently before Parliament, work has been done, strategic plans drawn up and agreed and construction begun in some

They say that if they were this money will eventually be given the tools? in this case cash made available is debatable.—they would finish the job, and more effectively than a UDC. the future of a parcel of land are less exposed to financial in terms of new buildings, it which the Gas Corporation risk. Mr. Heseltine could hardly more effectively than a UDC.

that did not escape Mr. Heseltine following a brief helicopter flight over the area. However, this first impression

belies the vast amount of work that has gone into solving the complex problems of draining, infilling and levelling an area of docklands 81 miles square. Much of the earlier infilling of Surrey Docks, for example,

had to be re-done because of hazards to health and safety. Beckton marshes to the north and building, particularly in the Surrey Docks, started.

development of the area, under the umbrella of the Docklands Wrangling

problems to overcome, not least difficulties over land acquisition—with ownership spread woodrow and Wimpey. This largely between local authorities, the Port of London Authority and other public bodies like the Gas Corporation.

would appear that little has been wants to retain and which is done since the Docklands Joint said to be needed for a train Committee was established at depot for the planned extension to the Jubilee Line.

Mr. Heseltine says that the compulsory purchase powers to be given to the UDC will solve the "present problems of dis-parate ownership" and that "the creation of a single authority will bring greater scale and certainty of resources to the project."

It is an attractive argument but how much financial and statutory muscle the new cor-porations will in practise be Beckton marshes to the north able to use remains to be seen of the Royal Albert Docks have that extensive planning tems installed. Housing propagate inquiries over controversial grammes have been established, proposals like the provision of the a £240m southern relief road are still likely to occur.

A number of major schemes are now proposed for Surrey There have been other major Docks — including a £400m shopping, office and hotel complex put forward by Taylor - particularly to the more In the case of Beckton, — particularly to the more wrangling is continuing over attractive sites where developers



MP wants computer in House By David Marsh SUGGESTIONS that MPs should have access to computer terminals to give them a better insight into the complexities of public spending received a luke warm response yesterday. At a public accounts commit-

tee meeting in the House of Commons, Mr. Dick Douglas (Lab, Dunfermline) put forward the idea that MPs should have computer terminals installed in the library at Westminster to allow them to receive updated the North Sea, said that reports say further product rises are that the everage price of four-inevitable now that the producting by various departments compared with original estimates. Anthony Rawlinson,

Second Permanent Secretary for public services at the Treasury, told the meeting that he did not see a future in such a scheme. It would not be cost-beneficial. Members should continue to use the White Papers on public expenditure and the half-yearly progress reports on individual department's spending to get the best idea of the overall

expenditure position." The committee was told that figures from computers would be difficult to interpret, and the amount of material needed to be put on to a computer would be out of proportion to the number of questions put

Fife Central) pressed Sir Anthony for clarification of reports that the Ministry of Defence kept the Treasury arm's length" on its spending programme. He claimed that the Defence

Ministry spent about 12 per cent

of its budget on non-military

Mr. William Hamilton (Lab.

Sir Anthony said that the Treasury had for a number of years delegated responsibility for spending programmes to individual departments. The principle was taken further with the Defence Ministry than with

Suspended term for ex-Tatler director

other departments.

Financial Times Reporter MR. GUY WAYTE, 72, a former managing director of the company publishing the Tatler and Bystander, has been sentenced to nine months' jail, suspended for two years, for conspiracy to defraud advertisers over an eight-year period by falsely inflating the circulation figures of the Tatler and the Nottingham Observer. Mr. Wayte, of Colston Bassett, near Nottingham, was ordered to pay £5,000

toward prosecution costs of his four-week trial at Nottingham Crown Court. He was found not guilty on a third charge. Mr. Malcolm Campbell, his former deputy managing director, of Fishpond Drive, The Park, Nottingham, was convicted on two charges and cleared on one. He was fined a total of £650, with no order

Mr. Arthur Dewey, the accountant, of Victoria Road. West Bridgford, Nottingham, was cleared on all charges.

waits on crude price THE MAJOR oil companies are of a barrel of oil normally adds waiting to see how far North about 1.3p to the wholesale price Sea crude prices increase before cluding petrol.

of crude.

Wholesale petrol rise

deciding on their wholesale petrol price rises. Last night Shell and Esso, the two leaders in the UK pertol of price increases by Gulf and market, and Mobil, Gulf, Bur. North African oil-producers, mah and BP Oil, said they had no immediate plans for increasing prices, although they were gailon. keeping the position under con-

Shell, which takes about half pumps

stant review.

its UK oil requirements from were a "violent exaggeration." The average price for fourstar in London appeared to be number of companies are uneasy between 122p and 123p a gailon, about raising petrol prices for and slightly cheaper in the the third time in six weeks. provinces. It was unlikely to rise to 130p a gallon even after creases do come, they may be

another round of petrol in-creases. fuel oil or heating oil than on creases. The big companies estimate petrol, to ease the burden on

that a \$1 increase in the price the motorist.

Settlement bid made

in damages claim ATTEMPTS are being made to manager involved in the 1973 settle the multi-million pound London and County audit, to High Court damages claim in Department of Trade inspectors

tants Harmood Banner. The 29 partners in Harmood audit of the 1973 accounts of terest that it should be used in two companies in the London private litigation. and County Securities group. London and County Securi-

ties. London and County Securities Group and nine other group companies allege that, as a witnesses would not give full result of the auditors' negliand frank evidence to inspectors gence, they suffered losses if they feared their evidence amounting to about £8.5m. might be so used. When the hearing began before Mr. Justice Browne-Wilkinson on January 15, it was expected to last up to six months. On January 28 the judge ruled that evidence given

by four partners of Harmood

which allegations of pro-appointed in 1974 to investigate fessional negligence have been London and County, was admis-London and County, was admis-

If North Sea crude prices, rose by \$3 a barrel in the wake

petrol could be expected to go

This would probably mean an

increase of about 5p at the

Most of the big oil companies

But there are signs that

When the product price in-

up wholesale by about 4p

made against chartered accounsible in the present case. - Harmood Banner had objected, on the ground that Banner—now part of Deloitte the evidence had been given to Haskins and Sells—deny that the inspectors in confidence, and they were negligent in their that it was not in the public in-

But the judge held that the

public interest that all relevant material should be before the court outweighed the risk that witnesses would not give full After the court rose last Thursday the judge was asked to grant an adjournment for

discussions. It is understood that

the parties will return to court today, either to announce that

they have reached agreement, or

Pair of Meissen mining figures fetches £21,000

Banner, and the firm's audit to continue the hearing.

TWO MEISSEN figures of miners, by Kandler and miners, by Kandler and Reinicke, sold for £13,000 and £8,000 respectively at a Christie's sale of continental porcelain which totalled £125,015, yesterday. They had originally formed part of a table

centre of various stages of mining scenes.

Winifred Williams, the London dealer, bought a Berlin porcelain gold-mounted snuff-box for £11,200, a record auction price: while another snuffbox price: while another snuffbox went to the Antique Porcelain Company of London for £5,000. It was a Meissen chinoiserie, painted by J. G. Herold.
The Sotheby's printed book sale brought in £132,657. A "Biblia Germanica." printed in Nuremberg in 1483, with 109 handroloused woodcut illustra-

hand-coloured wood-cut illustra-

SALEROOM

BY ANTONY THORNCROFT

three-volume "Das Deutsche Bundesheer," by Eckert and Monten, with 401 hand-coloured lithographs of uniforms, went for £8,000. "Views of Greece," 30 aquatint plates, by Edward Dodwell, sold for £5,500.

A minor silhouette and miniature auction totalled £25,239, with top prices of £700 for a collection of 13 continental miniatures of about 1850; and

Americana sale at tions, made £8,500; while the totalled £1,303,004.

miniatures of about 1850; and £680 for a silhouette of Miss Stephenson, the work of Mrs. Isabella Beetham about 1794. Sotheby Parke Bernet, in New York, which ended on Saturday,

ruary 5 1986

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Posal Coal must assume larger role, says Shell chairman

BY MARTIN DICKSON, ENERGY CORRESPONDENT

COAL IS destined to take the reasonable overall growth in over time. the 20th century and possibly and Trading, said yesterday.

He told a meeting in London that, since oil was no longer ing energy gaps. the universally applicable, cheap and available balancing fuel that it had been for so long, other fuels would have to grow in availability to take up areas where their involvement world energy demand. They could be particularly would also have to substitute tageous to the industry. for oil in increasingly sophis-

pect of bringing in significant new or renewable sources of energy, other than nuclear, before the year 2000, coal would could help produce the internahave to take up the load and tional trading infrastructure would "be vital to satisfy needed to stabilise coal supplies

place of oil as the world's world energy demand over the balancing fuel for the rest of next 20 years."

Coal was destined "by sheer beyond, Mr. Peter Baxendell, necessity" to take the place of chairman of Shell Transport oil for the rest of the century and possibly beyond as the out that a company in the Shell He told a meeting in London "swing" or balancing fuel — of the Coal Industry Society a versatile fuel capable of fill-

> Turning to the role of the oil companies-many of which are investing heavily in coal-Mr. Baxendell highlighted three could be particularly advan-

• The oil companies were accustomed to front-end loaded year 2000 the EEC would have Because there was little pros- investment on the "mammoth" scale needed to finance coal export projects.

Second, the oil industry

Fine Fare reducing prices on 100 items

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

FINE FARE yesterday launched has the room for manoeuvre to its expected price-cutting cam-cut rpices by such a wide paign with a £7m package of margin. rice cuts covering 100 grocery

implemented in Fine Pare's 515 stores today; are the latest move in the High Street supermarket price war. They follow the date. £5m price cuts announced last week by the Asda supermarket group and price promotions launched earlier last month by

paigns, reflect the continuing fierce competition between the grocery multiples rather than the onset of a major new offensive similar to that started by Tesco in the summer of 1977. At that time Tesco cut prices by between £20m and £30m, helped by dropping Green Shield stamps. Since then, the group has almost doubled its share of the market.

But it is acknowledged in the grocery trade that no multiple

Fine Fare's price cuts will represent a 10 per cent reduc-tion on the 100 lines of special promotions. Prices will be held until Easter and the promotion may be extended beyond that

Fine Fare's market share of packaged groceries is estimated at 5 per cent, although it has 13 per cent of the market in Scotland. Tesco has a market Tesco and J. Sainsbury. Scotland. Tesco has a All these promotional cam-share of 14.5 per cent.

The Fine Fare price cuts will television advertising campaign, Meanwhile, Asda yesterday said its price cuts last week led to a 20 per cent jump in sales. It also claimed to have received more than 2,000 tele phone calls from people wanting to know the location of their nearest Asda store.

Grocers in superstore war. Page 21

Tourist Board defends 'expensive' London

THE IDEA that London is the most expensive city in the world to stay in is misleading and sometimes even unintentionally mischievous, Michael Montague, of the English Tourist Board, sald in London vesterday.

Publicity which resulted from a Financial Times survey on January 26 gave the impression that visitors had to pay more to stay in London than anywhere else on earth, Mr. Montague told a meeting of West End hotel managers.

"The fine print of the Financial Times report made it clear that only hotels in the first class international caregory had been surveyed, but, unfortunately, not many

people read the fine print." An impression was given that £65.50 per night bed and breakfast is a going rate for first class accommodation in London.
"The very next day, the

chanced to run a national advertisement listing more botels which offer weekend breaks at prices ranging from just over £10 to just over £20 a night per person inclusive for bed, breakfast

and VAT." London charging £65.50 and more a night, but the majority of bedrooms, with bath, in London still cost less than £25.

"In any case, the basic eost of bed and breakfast is only part of the story. The Financial Times survey revealed that the prices of an à la carte dinner or a glass of whisky can be much cheaper in London than in many other cities."

P.O. union urges state aid for opto-electronics

electronic components sector working party last year. The union study says: "It is time that the British Government and the Department of Industry woke up to the impor-

A CALL to the Government to fibre technology. It is a funda-provide £40m to support mental building block in the development of opto-electronics creation of the information

has been made by the Post society of tomorrow."

Office Engineering Union.

Opto-electronics is the use of thin strands of glass fibre for the communications and the thin strands of glass nore for telecommunications and other applications.

The union, in a study of optical fibre technology published yesterday, says the Government must accept responsibility to help work being carried out in this field.

It says the Government in which a small comprehence of the concerned that Britain's strong position in practical systems will be undermined by overseas competition if the working party's request is not met soon.

The union is concerned that Britain's strong position in practical systems will be undermined by overseas competition if the working party's request is not met soon. union is concerned that

carried out in this field.

It says the Government of Sport of the should grant the request for the should grant the request for the state of the st receive telecommunications services not now available to them, such as videophones. receive

This would enable the UK to test practical application of optical fibres in the Post Office tance and potential of optic

Comet cuts prices in bid to boost sales

in an attempt to win a larger pre-tax profit of £9.2m on a market share, writes Elaine turnover of £168m.

Reductions, amounting to an average of between 2 and 3 per cent, have been made because of increasing compehouses and Comet's dissatis-faction with its present market machine, £5 off a refrigerator tition with other discount share of between 8 and 9 per

Michael Hollingbery. Comet's chairman, said that the in the UK, last year acquired in the UK, last year acquired Caledonian Holdings, which has another 77 stores in the top of the discount league at a Timberland chain.

COMET RADIOVISION, the time when sales are less retail electrical chain, is to cut bouyant than in 1979. Last its prices for electrical goods year the company achieved a

> price cuts had been made to ensure that no-one could 'undercut" Comet Compared with December prices, typical reductions are

and £5 to £20 off a colour TV Comet, which has 153 stores

@ NEWS ANALYSIS: NEWSPRINT

BY WILLIAM HALL AND RAY PERMAN

Surprise for paper industry

THE NEWS that Wiggins Consolidatedand Teape. are preparing detailed proposals for a £100m pewsprint mill at Fort William in Scotland has caused considerable surprise in the paper industev.

· Finally, the oil companies

could contribute to the new

technology needed in the trans-

portation, handing and use of

coal. Mr. Baxendell pointed

European Coal and Steel Com-

munity consultative committee.

the National Coal Board to win

group recently announced plans Wiggins Teape has been trying to solve the problem of to build a £70m plant in the its loss-making pulp mill at Fort Netherlands to gasify 1,000 tonnes of coal a day, operating William for a number of years. in conjunction with a combined When it was first suggested that cycle power station featuring newsprint production was a viable alternative, Wiggins. both gas and steam turbines. newsprin: Mr. Bazendell said there was which has no bound to be a tremendous growth in the international expertise, turned to Reed and Bowater for help. However, trading of thermal coal. By the both companies turned down the offer of a stake in any an annual deficit between 150m new newsprint mill because and 350m tonnes of coal to be they could not see how it could met by imports, according to earn an adequate return figures recently produced by the

The UK newsprint industry has been something of a disaster area in recent years. In 1969, home production peaked at 790,000 tons a year. There were suggestions that the Far East would be trying to import coal on a similar Since then it has been mostly scale.

• Murphy Bros. has been awarded a 124m contract by on the decline. Last year, the VK produced 364,000 tonsconivalent to just over a quarter of the country's 14m some 2.5m tonnes of coal from lons consumption.

Bowater is the biggest pro-Chesterfield. The coal will be Chesterneig, the toat was used principally by power stations, but some will be sold tons a year on five machines in Kent and Cheshire The conducted by Reed, for industrial and domestic use. Murphy Bros. operates seven balance is produced by Reed. other opencast sites out of which operates three machines nearly 60 contracted out in civil negimering companies by the coal board.

In Keni (155,000 ton contactly), and the scale of Government assistance, but holes to start consistency of the new print for narts of the narts of the new print for narts of the narts

to invest in new capacity.

A problem for UK producers hardly moved over the last few years, even though energy costs Bathurst feels that, at this scale have risen sharply. Bowater's of production, it will have a esent newsprint price of £233.67 a ton is virtually the same as it was at the beginning of 1977. Both Bowater and Reed insist that prices need to be raised by between £20 and £30 a ton if UK production is to be

For these reasons, they are sceptical about plans for a new mill. The Forestry Commission in Scotland has estimated that the delivered-to-mill woodprices in Canada and the U.S. are half the level of prices in Britain and Scandinavia. In addition, UK energy costs

are much higher than in North America. The only consolution is that transport costs should be lower. Even so, Fort William is a long way from the main source of demand in the South of England. In spite of these drawbacks, Cansolidate i-Bathurst, which

produces more than 1m tons of newsprint in Canada, seems fairly confident that newsprint put will be aimed at the market carried out test in conjunction production at Fort William is a currently supplied by imports— with the Forestry Commission production at Fort William is a currently supplied by importaviable long-term proposition. It still has to ascertain the It still has to ascertain the Consolidated-Bathurst, which cost and continuity of Scottish with the majority partner in

The planned output from the that newsprint prices have single machine will be 156,000 tons a year. Consolidated-

CANADIAN UK DELIVERED

1975 1976 1979 (forecast) * Based on 48.8 Gramme Paper.

* Aevareg prices. Scoree: Photops and Drew

competitive edge ever other damestic producers. However, Arven the conspetitive aspect and

timber supplies, energy costs, the project is planning to pro-

duction and have been reluctant with completion set for early web-offset market, which Con- ees in the new mechanical pulp solidated-Bothurst reckons con-mill and the newsprint plant sumed 230,000 tons in 1979. This will not be known until negotiais an area which is growing tions with the unions are comrapidly. It is supplied mainly by imports because UK output is than are presently engaged in limited to about 40,000 tons a the chemical pulping process. year from one small machine on

Merseyside. Another areas is the growing Consolidated-Bathurst believes that present UK newspaper of less than 45 grammes. The Fort William machine will he designed to produce below 40-gramme paper.

News of the project has given an added boost to the Scottish forestry industry. It comes shortly after the announcement from another major user of wood, the Caberboard plant at Cowie, Stirlingshire, that it will need a further 160,000 tons of r year to feed its new fibre-beard process.

The new pulp mill at Fort William will be more efficient in its use of wood then the old, but will consume more than the present 300,000 tons a year. Consolidated-Bothurst

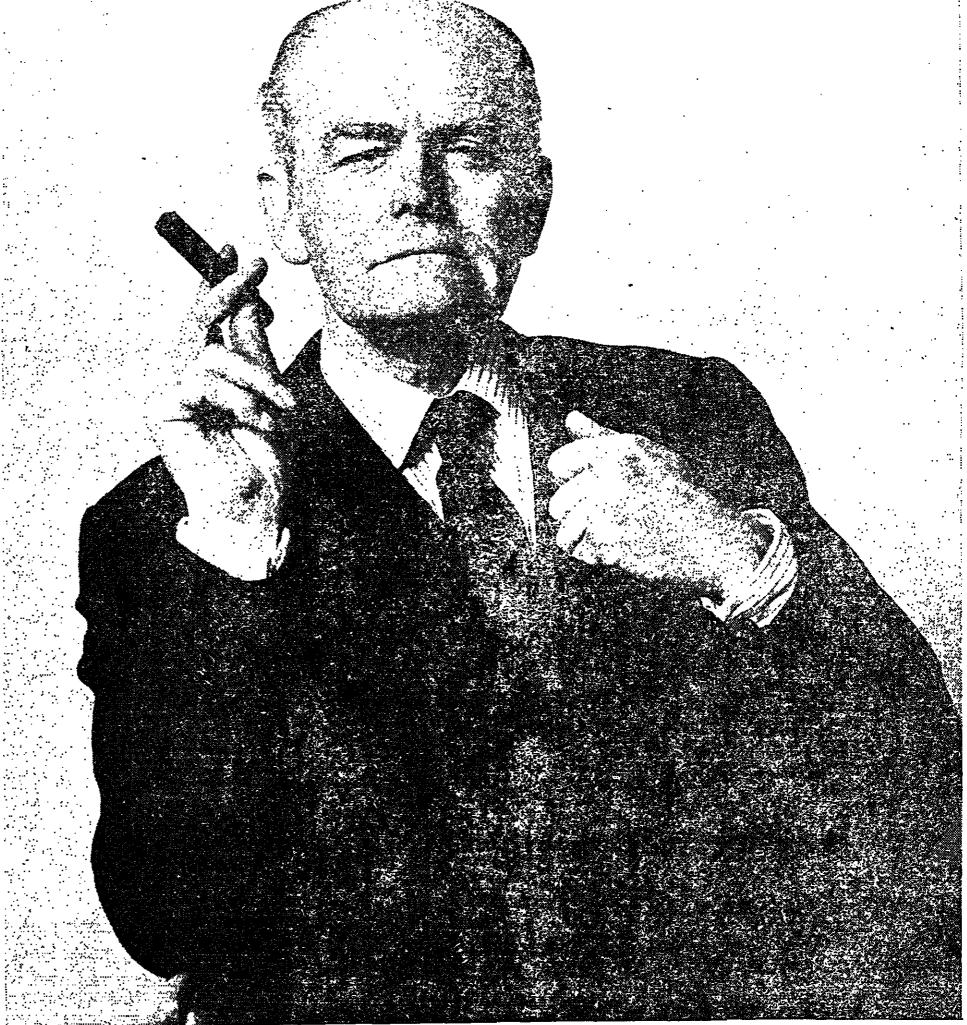
and private growers and is the century. Britain will be satisfied with the quality of oble to produce 12-13 per cent timber and the size, which come of its own requirement of softpares favourably with the woods, with the proportion con-average tree size available in tinuing to rise provided the The exact number of employ- tained.

Any reduction in employment would be a blow to Fort William, where new jobs are market for lightweight news scarce. But it would inflict a print to reduce distribution wound far more easily healed than if there were to be outprint machines cannot produce plant. In that case, 450 direct employees would lose their jobs. together with 600 others in

forestry and haulage.
The changed position at For William has given renewed impetus to the planning that is already under way for the future of British forestry.

The UK presently imports about 91 per cent of its timber and timber product needs at an annual cost of £2.5hn-nne of the largest contributors to the import bill. The country is unto escape from a heavy import burden, but increasing selfsufficiency by even a few per cent could mean substantial has savings in import costs.

The Forestry Commission estimates that, by the end of



Most people know us by our initials, too.

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points a sector of the community to whom

we can be - and are - of particular help.

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But in another way, maybe it's a help:

after all, don't they say initial impressions



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SUBTLE SHIFT UNDERLIES STEEL SCENE

After the dust settles

family for a few hours.

Yet the union has been chang-ing. Mr. Sirs instituted an annual conference four years

ago. And although the conference is a consultative affair.

leadership.
Last year's conference was marked not only by the royal

The national executive has

Mr. Sirs' more open style

of Government to develop

its own personality. The

national strike has given

visit but by emergence of a

delegates with a programme for

internal reforms. Some ISTC

leaders, including Mr. Sirs,

denounced the group as being unconstitutional Left - wing

plotters. Yet demands of the

reform group—mainly for more

proportional representation on

the national executive-would

scarcely have counted as radical

But the real focus of change

is the national executive, which has taken advantage of Mr. Sirs's

given that personality full

If the national executive of 21

essure group which circulaed

that personality full voice.

taken advantage of

FOR THE general secretary of the Iron and Steel Trades Con-

federation to be overturned by

his lay national executive must

be as rare an event as the

national steel strike on which

But it happened on Friday,

when Mr. Bill Sirs was virtually alone in speaking against the immediate reimposition of the sympathy strike in the private sector.

Moreover, it had been only

Mr. Sirs had persuaded the executive earlier last week to obey Lord Denning's Court of

Appeal ruling and to suspend action pending the verdict of the House of Lords.

These two instances serve as

proof, if proof were still required, that the strike against

not a one-man vendetta against

on taking office. Outwardly, the ISTC may look

much the same as ever—
politically moderate (Rightwing Labour), industrially
disciplined, unsophisticated,
self-contained, and extremely

jealous of its status as the steel

union in an industry that boasts

• On the TUC general council

Mr. Sirs aligns himself with

articulate moderates like Mr. Cid Weighell of the National

Union of Railwaymen and Mr.

Frank Chapple of the Electrical,

Electronic, Telecommunication, and Plumbing Union.

• It was to his union that Mr.

James Callaghan turned when

pre-Party Conference rallying of

The union has been cultivated

seeking front-bench Opposition

support for his battle with the BSC but the divided Parlia-

at least 13 of them.

the Labour Right.

the union has embarked.

with the greatest difficulty

Wales to get £48m help

UP TO £48m is to be provided by the Government over the prime need, he said, was by the Government over the prime need, he said, was from Sir Keith Joseph, the for the acquisition, preparation major part of these additional resources would be allocated to the welsh Development Agency building of new factories in tion to enable the closure of the programme of advanced fac-South Wales in an effort to miti-gate the loss of jobs from the Port Talbot to be delayed for affected to take advantage of contraction of the steel indus- two years.

enterprises were envisaged by Mr. Nicholas Edwards, the Welsh Secretary, when he announced in the Commons last night Cabinet authorisation

for this new expenditure. While welcoming the Government's recognition of the need for remedial action Mr. Alec Jones, Labour's shadow spokes-man on Welsh affairs, insisted that the £48m was not anything of the likely rise in unemploylike enough when South Wales ment in Wales in the wake of faced unemployment on a scale the rundown of the steel industhe Wales TUC that the num-

New opportunities for private sector as well as public sector enterprises were envisaged by wil be even less competitive in the sector in the steel industry will be even less competitive in the sector in the sect Sir Keith snapped: "Don't relation to its rivals than it is today?'

Two year postponement, he said, meant that the cutback in BSC's operations would have to be "even flercer than it may have to be now."

Mr. Edwards who refused to give any Government estimate try, announced the £48m pro-The endorsed the estimate of gramme after reaffirming the see Wales TUC that the num-Government's acceptance of its bers out of work could reach responsibility to 140,000 by 1981. But he failed impact of change. responsiblity to cushion the

the excellent communications provided by the M4 and the trunk road and highspeed rail

He also foresaw the need for a continuing programme over a number of years which could be became clearer.
"What is needed now is to launch a new infra-structure programme so that we can get

under way and give

people the assurance that action will be taken. can now tell the House that within the reduced public expenditure programme discussing, the have been Government are planning to make available some £48m over the next two years for remedial measures of this kind."

which was preparing detailed plans. The Cwmbran Development Corporation would also discussions with local authorities to determine whether it could develop industrial land in or around the new town as a contribution to providing alternative jobs in the

Mr. Edwards emphasised that the £48m allocation would enable the Welsh Development Agency to get on without delay with a substantial programme o acquisiton and development of industrial sites.

Lianwern area.

Apart from the new pro-gramme, the WDA would be spending in the coming financial year about £12m under its normal programme in the areas affected by the closures, including £8.5m in Ebbw Vale and

Welsh select committee begins work

BY ROBIN REEVES, WELSH CORRESPONDENT

AFTER AN inordinately long port), Mr. Alan Williams (Lab. select committee on Welsh affairs-the Conservative Government's alternative to a devolved Welsh assembly—is due to begin work today under the chairmanship of Mr. Leo Abse. the maverick backbench Labour

been plagued by parliamentary delaying tactics by the Government and the Opposition over the committee's composition

and chairmanship.
It was agreed in October that Labour should take the chair but it proved impossible to conthe committee when objections were raised to a succession of candidates.

Mr. Roy Hughes (Lab. New- dence that the committee will

Joseph avoids

pledge on steel

condemning the

extension of the strike to the

the possibility of amending the

manufacturing production fell

unequivocal statement that the

Government would not inter-

vigorous advocate of social re-forms throughout a parliamen-

cular in women's rights, child

She fought a long and unsuc-

cessful campaign to ban profes-

sional boxing, a sport she con-demned in a book "The Ignoble

THE Government hope to make

a statement by the end of the

week on EEC action to protect

the British textile industry

against imports of U.S. synthetic fibres, Mr. John Nott,

Trade Secretary, told the Commons yesterday.

welfare and community health.

OBITUARY

Swansea West) a former Industry Minister, and Mr. Donald Anderson (Lab Swansea East) were all rejected by one side

or the other before agreement was eventually reached Plaid Cymru's two MPs used blocking tactics to protest the MP for Pontypool. exclusion of nationalist repre-The committee's birth has sentatives. The committee is made up of six Conservative, four Labour and one Liberal MPs reflecting the Westminster balance of power rather than the respective party strengths in

> indications that Mr. Abse has agreed to take the job for only a year, has not increased confi-

Wales at the last general elec-

efficiency and sensititvity of government in Wales.

But the main question-mark ver the committee's role over remains unanswered. Will it seize the freedom to launch in-depth inquiries into burning Welsh political issues, or allow itself to be confined to a narrow functions of the Welsh Office and its nominated bodies?

In theory, the investigative watchdog role over some field is wide open. The Welsh Office is a multi-functional department with responsibility for many aspects of industry, housing, roads, water, health and local government in Wales. But the Conservative majority

make a significant impact on the departmental select committees covering these specific areas preclude the Welsh committee from looking at, for example, the threatened mass redundancies in the Welsh steel and coal industries Indeed, the overlap leads

some observers to believe it may prove impossible for a select which has a committee territorial mandate-Wales-to operate effectively within a Parliament which is responsible for the whole of the UK.

On the other hand, Mr. Abse is anything but a timid backbencher. Given determination by the chairman to succeed, the Welsh select committee could turn out to have an important on the committee may argue impact on the political and that the existence of other administrative scene in Wales.

Ulster talks revival attempted by SDLP

AN APPEAL to the unions and the steelworkers that they British Steel Corporation to end should become more competi-the "self-destructive" steel tive, strike on terms which the This theme was taken up by industry can afford was made

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

Mr. John Morris (Lab, Aberavon) who asked how long the in the Commons yesterday by Sir Keith Joseph, the Industry Secretary of State and the Prime Minister intended to maintain He stressed yet again that the their stance of non-intervention Government could not ask " the long-suffering taxpayer" to and allow industry to bleed to death. provide more money to underwrite a settlement. But,

Sir Keith told him: "We hope that management and the significantly, he cautiously avoided giving a direct answer unions will soon be negotiating when he was asked for a very seriously and with good categorical assurance that the results." Covernment would not inter-

From the Opposition front vene and would not provide beach, Mr. John Silkin, Industry more money to end the dispute. spokesman, said it was the Government's refusal to intervene and the inaction and comprivate steel sector Sir Keith placency of Sir Keith that was was noticeably low-keyed when leading the country into the he answered questions about sixth week of the strike.

Sir Keith replied that Mr. Employment Bill to deal with Silkin was really asking the taxsecondary picketing and sym- payer to find more money. Yet pathy strikes. most taxpayers had smaller He claimed that despite the earnings than the £112 a week closedown in the steel industry, average of the steelworkers.

Mr. Kenneth Baker (C. St. only about 1 per cent by the Marylebone) said that the third week of the strike.

Marylebone) said that the Lords' decision last week rever-Mr. Patrick McNair-Wilson sing the Court of Appeal meant (C. New Forest) said there that the law on secondary appeared to be lingering doubts picketing was in confusion. He in the private sector that the urged the Government to take Government could be coerced an early opportunity to clarify into intervention in the dispute. the law and narrow the range of

He asked for a categorical and trade union immunities. Sir Reith agreed that it was "deplorable" that the law vene, would not usurp manage- should allow the private sector, ment functions and would not where there was no quarrel provide any more money. where there was no quarrel between employees and em-Sir Keith replied that it was ployers, to be called into the "deeply" in the interests of BSC dispute.

the constitutional conference on Northern Ireland, the SDLP, yesterday attempted to bring the bogged down talks back to life by reintroducing into the proceedings the key concept of power sharing at the highest

at a local level, it could not possibly work at the highest level which in the context of Ulster means fully devolved

It goes on to say: "Those who

In other words, the SDLP is lapsed after five months. Government's attitude.

Aying that it does not accept There are currently 26 discontinuing efforts will be
the veto of Mr. Ian Paisley, the trict councils in Northern made internationally to see if In other words, the SDLF is saying that it does not accept the veto of Mr. Ian Paisley, the main Unionist delegate at the main Unionist delegate at the ireland. Their powers are alternative venues can be found severely limited but activity for various sports, but the indications are that these plans will response

ment, run by partnership.

Last week Mr. Paisley effectively quashed the motion that a fully devolved Cabinet could emerge from the current constitutional talks on Northern Ireland by saying that any Cabinet would have to be made

The SDLP released a lengthy up by the majority Unionists. The SDLP's minimum dewas that should a Cabinet emerge as a favoured ruling body, its minimum demand would be participation

> The SDLP's document tries where there has been a partner-thousehip-notably those of Derry, cal. Down, and Newry and Mourne these three councils is either SDLP control or substantial representation on the councils. The document adds on the

The document entitled "Local other hand that councils such Government in Northern Ire- as Armagh, Ballymena, Banbridge, Coleraine, Cookstown called for the Ga and Craigavon which are cotted or moved. Unionist dominated have main— The Internati authorities.

Customs and Excise 'can tap' telephones

By Our Lobby Staff

CUSTOMS and Excise can apply to the Home Secretary for a warrant to tap a suspect's telephone when investigating major fraud cases, the Prime Minister said yesterday.

In a letter to the Tory backbencher, Mr. Geoffrey Dickens who was calling for more information about the scale of phone tapping well before last week's revelations on the subiect, Mrs. Thatcher said that the criteria suggested by the Birkett Committee in 1957 still applied. The committee, she pointed

out, said that Customs, and Excise might be justified in seeking a warrant from the Home Secretary for interception | the British Steel Corporation is ing a "substantial and continuing fraud which would seriously damage the revenue or the economy of the country if it went unchecked." That criteria she said, continued to be followed today. lowed today.

Mrs. Thatcher insisted how ever, that interception was not used by Inland Revenue. And she stressed that Customs and Excise would consider using using telephone tapping in cases involving VAT abuses only when there was reason to suspect really large scale evasions.

More than 31 MPs have signed a backbench motion calling for the appointment of a committee to

investigate the matter. THE TOTE was involved in malpractices in the two years to last July but the transmissions did not involve any breach of the common law or any statutory provisions. appointed inquiry concluded yesterday.

Following criticisms of some of the methods used by the Tote last year, the Home Secretary asked Mr. Aglionby, a Recorder of the Crown Court, to carry out

Cool reply to Olympic Games switch

THE Prime Minister received a cool reaction yesterday from British sports officials to her suggestion that the Olympic Games should be removed from Moscow this summer following the Russian invasion of Afghani

and the Sports Council both told Mrs. Thatcher in talks at 10.

In response, he Prime districts—the areas have flour- Minister accompanied by Mr. ished. The common factor in Hector Monro, Minister for these three councils is either Sport, recognised there were great difficulties in re-siting the games but she did not think these were insuperable. reminded the officials that around 45 countries had now called for the Games to be boy

Unionist dominated have maintained sectarian attitudes and Committee is to meet at Lake practices of the former local Placid on February 13 during the winter Olympics to consider Northern Ireland has been the future of the summer decry the partnership Government of 1974 do not decry its

Tun by direct rule from West- Games. The British Olympic

Tun by direct rule from West- Games. The British Olympic

Tun by direct rule from West- Games. The British Olympic minster since 1972. An attempt Committee will meet again in at power sharing in 1974 cole early March to consider the

form will not be presented to they are the only forums to no receive a favourable response the conference, will emphasise which politicians can aspire from the sporting community. which politicians can aspire from the sporting community.



BY STWEART DALBY IN BELFAST THE MAIN Catholic party at the successes of local govern-

and very subtly worded position paper about local government mand in Northern Ireland. It reached two main conclusions. The first was that since

majority rule had not worked at the highest level. Cabinet rule. Its second conclusion was that

partnership (which is what it calls power sharing), at a local level has been seen to be successful in those areas where it has been executed.

land—a Portrait of Future Regional Government?" said "what can happen at local levels can also happen at central

failure, but are airaid of its success."

By Richard Evans, Lobby Editor

Members of the Central Council for Physical Recreation thought the idea was impracti-

BY GARETH GRIFFITHS, LABOUR STAFF TRIDENT Television, one of gramme contractor, the IBA or the largest independent tele- the ITV system as a whole." vision companies, has warned its employees that if they join company if they want to join a

who seek franchises

he needed a platform for his in any other trade union.

by Mr. Denis Healey and Mrs. more open style of government Shirley Williams. (Mr. Sirs is to develop its own personality. now cashing that cheque by The national steel strike has

mentary Labour Party has been laymen is no longer the tame too hamstrung by its own affairs animal it was under Mr. Sirs's

prospective MPs, and this faction fighting as, say, in the

political ethos appears to have miners' or in the former

been scarcely dented by the engineers' executives, younger and more Left-wing Numerically it has been shop-stewards.

a group applying for the Triresign immediately.

The warning, which applies to all staff at Yorkshire and Tyne Tees Television, is given in a letter written by Mr. Ward Thomas, chairman and managing director of Trident Thelevision unions are wor-

ried about the implications of the letter and are afraid other ITV companies will put similar pressure on staff not to be openly critical of existing broadcasting arrangements.
The letter says: "So long as

they are in the employment of the company, they should refrain from any statement or comment, whether attributed to employment contracts. The them or not, the effect of which company had a right to protect would be to denigrate any pro- its commercial interest

Staff should also inform the consortium applying for fran-They should also not allow outside activities to interfere with their duties to the Trident

Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians described the Trident stand as an "infringement of basic civil

The ACTT has supported the idea of worker co-operatives applying for the ITV franchises and the Trident letter poses a serious threat to this proposal. Trident said the conditions in the letter were almost identical to those contained in

with by all the unions indi-

They would also expand the size of the Staff Side from its

present total of 22 seats to 63, and establish representation on

the enlarged side on the basis

of size of membership, which

The smaller Civil Service

Bigger Civil Service unions may gain power

BY PHILIP BASSETT, LABOUR STAFF

CTVIL SERVICE unions are mittee consisting of officials of radical changes in the policy-making body covering all nine unions which will leave effective control in the hands of the largest and exacerbate divisions largest, and exacerbate divisions between them and the smaller vidually.

The general secretaries of the unions met yesterday. The meet-ing of the full Staff Side of the National Whitley Council is expected to take the decision on Thursday.

Services Association; the Society of Civil and Public Servants; and the Institution of Professional Civil Servants have rioressional civil solvants have tabled a motion for the meeting seeking agreement on the changes in the Staff Side they

The alterations, based largely on an SCPS discussion docu-

would give the unions an overall The largest three unions involved, the Civil and Public majority of seats, unions have attempted to move against the changes, but since

ment on Staff Side structure circulated last autumn, will give formal recognition of the two

the three unions control 16 of the present seats the vote on Thursday is expected to approve Mr. Les Moody, general secre-tary of the small Civil Service Union, has threatened to resign

from the Staff Side if the changes are approved, though there is some doubt as to separate levels of power there. whether he could persuade his
The changes would establish executive to give him full supa separate negotiating comport.

1,500 walk out at Jaguar

TWO Jaguar car factories in which puts some of the top Coventry were disrupted yester- skilled men at the factory into a day when 1,500 men walked out at the Brown's Lane assembly when talks broke down.

The axle fitters were upset to the professional and the professional articles. went on strike at the Rudford

The axle fitters were upset when the management called in rectification workers on Satur-

BY CHRISTIAN TYLER, LABOUR EDITOR • And it is probably no which recently accounted for no accident that the ISTC was the fewer than 10 of the scats. This first trades union to invite a member of the Royal Family. Price Charles, to address its conference, Brother Windsor being treated as one of the family for a few house. is made possible by a system which combines regional seat with trade seats, rather like that employed by the transport

workers. Generally the two South Wales divisions and South Yorkshire form a tight, influential aliance. On the other side is a loose coalition of Scotland, the North-East and West Midlands and the North-West. Few of the executive are publicly promi-nent, a notable exception being unable to the the national executive to particular policy lines, it at least gives the rank-and-file their first chance to disagree in public with the the Left-wing Mr. John Cowling

from Corby.

Those who complain about the self-perpetuating oligarchy from South Wales are as anxious as the unofficial reform group for a rule-change that would dilute its influence, possibly by abolishing the 11

trade sections. Union officials, including Mr. Sirs, do not have a veto but the lay president has and extra casting vote. Executive councillors sit for a three-year term.
The ISTC lives in a hostile world. Although numerically dominant—with 107,000 mem-bers in the industry ranging

from ancillary workers to management grades—it desperately anxious to retain its autonomy and expand its coverage. There is no love lost between the ISTC and the seven craft unions, for instance, whose aggregate membership is increasing as a proportion of the total workforce. Mr. Sirs also keeps a wary

eye on the transport workers whose lack of discipline at local level he views with distaste. and which he may suspect of wanting to take his union over The steel unions' chronic in-

ability to sit down together may become even more acute. The craft and general unionsextremely reluctant to strike in the first place—have been looking for a separate settle-ment. That division could even lead to the collapse of the TUC committee—the steel union forum the industry haswhen the strike is over.

to be of much help.

• Many of the ISTC's officials in Dai Davies, it is not split along an ally in the blastfurnacemen, the regions are Labour Party political so much as regional a shrinking but defiant union, the regions are Labour Party political so much as regional a shrinking but defiant union, and some believe that Mr. Hector Smith, the blastfurnace men's general secretary, would like to make the alliance permanent when the dust

Warning to TV staff Joint claim agreed for **builders**

By Nick Garnett, Labour Staff

JOINT CLAIM for building and civil engineering workers including full consolidation of all outstanding supplements and a substantial increase in consolidated rates was fixed yesterday by construction unions

The claim does not include a specific increase in basic rates although it does refer to the existence of a £3 an hour rate, on some sites for some crafts-The four unions on the

operative side of the building and civil engineering joint board are also seeking an extra week's holiday in summer, a 35hour week and the abolition of what the unions say are penalty

This refers to instances for example where employers cut holiday pay-if workers fail to report for work immediately before or after statutory holidays -in an attempt to cut absenteeism.

The claim, due for settlement in June, also seeks substantial improvements in shift premiums and plus rates and a minimum overtime rate at double time. The unions, who will meet employers later this month over pay, are also looking for improved travel, subsistence and

tool allowances.

The four unions—UCATT,
TGWU, the General and Municipal and the Furniture and Timber workers—also want severance arrangements linked to specific conditions individual sites.

ASTMS branch backs Tories

MR LOUDON PARKIN, 2 MR LOUDON PARKIN, a 53-year-old technologist, of Pinner, asked a High Court judge yesterday to rule that part of the 10p a week voluntary political levy paid by Harrow branch ASTMS members could

go to Conservative funds and not, as the union contended, only to the Labour Party.

Mr. Parkin, backed by 16 branch colleagues, argued that union rules provided for one third of a branch to the branch to be returned to the branch to be used for its own political. be used for its own political ends. In July, 1978, Harrow levy-paying members decided they wanted their money to go to the Conservatives.

The hearing continues today.

Deadlock at hospital

A TWO-MONTH dispute over working rotas at the Royal Liverpool Teaching Hospital seemed deadlocked last night with the possibility of a large-scale walk-out by 1,000 ancilliary staff.

Ministers' meeting.

Although promising that the Government would do its best to support the British textile

tary career that spanned more checks on boxers were tightened than 40 years, died yesterday. She was 78, as a result of the controversy she aroused. Lady Summerskill cham-She was prominent also in pioned many causes, achieving the long anti-smoking campaign notable improvements in parti-

that eventually brought restric-tions on cigarette advertising. Health Service. It was the poverty encount-Labour Party and a political family diet.

only seven votes. But medical

putting at risk jobs and firms in Britain's textile industry, Mr.

Nott agreed that " great damage is being done to sections of the

fibre industry.
"I fully accept that and this

BARONNES SUMMERSKILL, a motion of professional fights for West Fulham in 1938, a was Minister of National Insurvigorous advocate of social re- was thrown out by the Lords by constituency she represented ance 1950-51. until 1955 when she became MP for Warrington.

Lady Summerskill was largely paigns ensured that she responsible for the foundation of the Socialist Medical Association which pressed for the establishment of the National

With less success she tried ered in her early medical prac-tice that turned her towards the fish, snook, into the British

BY OUR LOBBY STAFF

public eye.

successful conclusion with the passing of legislation entitling wives to a half share in marital property.
Three years later, the Matri-

Though she never again held Government office, her cam-paigns ensured that she

In the House of Lords in 1964

she brought a 20-year fight to a

monial Homes Act ensured that career.

Lady Summerskill became a a deserted wife could not be
She was elected Labour MP Privy Councillor in 1949 and dispossessed of her home.

EEC textile protection statement soon

directors of these companies."

When MPs complained that of imports from low-cost pro- to remain competitive. ducers of textiles were covered by some form of restraint. The in fashion and technology going He said the Government had decided that in view of the need for further reductions in by imports from developed countries, and that was the subject of the Council of textile industry on behalf of the Ministers' meeting. public expenditure, it could not provide finance for the building

of new premises in London for the established commodity organisations and an associated Commons yesterday.

Mr. Nott will be attending a Common Market Council of Ministers' meeting. I Common Market Council of Ministers' meeting in Brussels today dealing with imports of manmade fibres.

"I fully accept that and this Ministers' meeting. Although promising that the Council of Ministers' meeting. Although promising that the Council of Ministers' meeting. Although promising that the Council of Sovernment would do its best to support the British textile industry by seeking agreements to limit imports, he warned the manmade fibres.

"I fully accept that and this Ministers' meeting. Although promising that the Council of Sovernment would do its best to support the British textile industry by seeking agreements to limit imports, he warned the Mr. Nott said that 95 per cent industry must also take action announced in the Commons conference centre.
"The Government is still prepared to consider any future proposal for establishing the common fund in London.

engineering plant. The 1,500 were already ban-

The 1,500 were already ban day morning. The axle-fitters ning overtime in protest over claimed that they could have the BL wage regrading plan, done the work on overtime.

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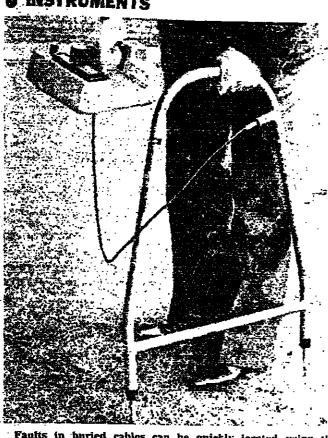
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TH dispute Royal soching has numbered last number to a last to the by 1,000 soch

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Faults in buried cables can be quickly located using this equipment marketed by the 3M TelComm Products Group.

Finds the pipe runs

LATEST entrant to the underground pipe location market is 3M, which has just announced simple "to-from" meter. Stanground pipe location market is 3M, which has just announced its Dynatel 573, a portable unit that will not only identify and trace a buried pipe but can also detect a cable sheath fault and determine its location even where there is a congestion of

other pipes. Transmitter and receiver units are transported together in rugged waterproof case and in addition a lightweight earth contact frame is supplied for sheath fault location.

The transmitter generates a 300 kHz tracer signal which can be applied to the cable by direct connection, through induction (by placing the transmitter on the ground directly above the cable), or by close coupling with a split ring inducer.

A loudspeaker on the handheld receiver emits a tone which RG12 1JU (0344 58310).

dard null or peak methods are also available.

For depth measurement, the receiver is placed on the ground over the cable, adjusted, and then raised until a specific meter indication is given, the unit then being as far above ground as the cable is below.

A sheath fault is traced using the leakage to earth of the signal from the cable. By carrying a lightweight earth contact frame which is colour-coded in accordance with the direction meter, the operator can pinpoint the leakage to within two to three inches.

More from TelComm Products Group. 3M United Kingdom, P.O. Box 1. Bracknell, Berks

Stops the crackle

AS THE sensitivity levels of become evident until the modern - communications receiver is used at maximum receivers sink below the likelihood of The TUSO has a trouble from radio frequency capacitive aerial and checks can be made in the HF and the broad-band

on vehicle mounted equipment peaked to give maximum for example, is less easy, which response at either of two has prompted Evershed and selected frequencies and the Vignoles to introduce a rugged RF field detected is indicated hand-held RFI detector for on the meter, or a tone can be

mobile radio applications. RFI sources can generally be suppressed and screened to an the instrument measures 300 > period in service screen grams, couplings and earth bonds can More come loose or can corrode. Chiswick. Often such faults will not (01-994 3670).

heard in headphones. Powered by two 9V batteries,

acceptable level but after a 135 × 35 mm and weighs 700

More from Acton Lane, biswick, London W4 5HJ

Analysis of colour

MADE BY Neotec Instruments supplied suitably programmed in the U.S. and available in the for a number of colour measurement from Henry Simon, P.O. ment techniques including RGB, Box 31. Stockport, Cheshire SK3 ORT (061-428 3600) is a differences from reference colour measuring instrument using a microprocessor to provide accurate and versatile measurements.

ceuticals, plastics, paint and textile industries.

CIE and Lab, and will evaluate colours. A crt monitor presents the results together with other information such as yellowness and whiteness indices.

The unit is called Digi-Color Colour differences which and is suitable for colour exceed pre-set tolerances auto-analysis in the food, pharma-matically operate an alarm system to emphasise that colour correction is required.

Incorporating automatic self-standardication, Digi-Color is plete with screen, keyboard, easy to operate and no special cassette unit and a programme training is needed. It is cassette.

. IN THE OFFICE Weighing up the mail

duced by Pitney Bowes, The 60 gram division that indicates Pinnacles, Elizabeth Way, the start of the next charge Harlow, Essex CM19 5BD (0279

model 4918 has a rate chart that and package-if it is 61 grams. shows first and second class the poise over-balances and rates up to 500 grams, includ- lets the operator know at once ing European and surface that the higher charge rate charges. The chart can be should apply. changed quickly and easily to accommodate rate changes.

POSTAL SCALES for the scale; its operator simply sets smaller office have been intro- the sliding beam poise on the rate; there is no need to 6731), visually check the weight of This accurate unit, called every single borderline letter

The capacity of the 4918 recommodate rate changes. scale is up to 500 grams, The unit also acts as a check indicated at 10-gram intervals.

TRANSPORT Tube train data link

Transport's District Line, now instructions back to them. starting to come into service. will have data systems by the control station of any

Working on a data highway arrangement of a single twopair cable running the length of the train, the system has perfunction outstations communicetting with a control station in

ach of the driving cabs. display data sent from the out- local links.

SOME 75 new trains on London stations and can send control

The outstations can also monitor their own condition, advising change. The use of microprocessors in each equipment provides a flexible and distributed processing system and data can be analysed locally to minimise transfer of signals to and from

the control centres. Hardware at the outstation is Only cartain non-vital func- identical, each function being finns will be covered; the con- determined by software: the trol station can interpret and specific program is selected by

Bags weighed while on the move

• COMPUTING

Chip will

arithmetic

hit data buses, have been intro-

The 8232 is a floating point

device and will perform 64 bit

double precision or 32 bit single

precision addition, subtraction,

multiplication and division.

Most likely applications will be

in scientific instruments that re-

used on those occasions when

speed is more important than

single precision multiply taking

about 100 microseconds,

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Processing time depends on

sion 32 bit accuracy will be devices.

do the

duced by Intel.

precision.

PERIPHERAL integrated cir-8080, 8085 and 8098 microcomtional method of checkweighing, \$764331. puters and to other general giving data that is suitable for purpose processors with eight

• ELECTRONICS

From Richard Simon and label printer.

Forms a 'flat panel' screen

join venture between the U.S. cockpits. There would clearly Air Force and the Canadian be applications in industry.

Department of Industry is a particularly in process control

A PORTABLE weigh-counter further processing. Four presents and an in-motion bug weighing enson strain gauges under a unit have recently been announced.

The latter has been designed bugs or minus rones the one of country and country scale—it has the bugs or minus rones the one of country and country scale—it has the The latter has been designed plus or minus rones (two on advantage that it can be taken by Toledo Scule and is designed each side of the target) that to the location of the comfor operation under hostile can be adjusted. At a recent ponents to be counted, rather conditions. Known as the 0404, installation at ICL 50 kg bags than vice versa. Designated zero which is the more conven. Lone. Groby, Letes, 10533 decimally from five to 100, and

WORKPIECES up to 1150mm diameter and weighing 4000 kg cuit devices for arithmetic that it provides a frue weight output of chemical are being weighed model 5835, it offers a range can be connected directly to the rather than the deviation from at 1,400 bases/neur. Fir Tree of sample sues ascending can be connected directly to a

CANADIAN company Ontotek four by three inch screen con-lies recently developed a mining training same 49,000 diodes, each puter controlled, are estimated three light continue diode (LED) of which is only gight thought to have a mean time between candidate of an inch in digmeter. Calture 20 times better than the puter centrolled, are estimated quire calculation to be carried audit-diode that panel for use. The device is under evaluation out over a wide dynamic range as an alternative to cathode by the USAF and a intended ert, and vitat is more they will " negrado gracefully -even if many thousands of the diodes. to high accuracy. Single preci- ray tubes or electro-mechanical as a replacement for the sion 32 bit accuracy will be devices. tral, the display could still be

rendable.

More from the UK agent.

Bowner Instrument, 45 High

data however, a typical Micro may not be best solution Another device, \$201, is for

used at the moment in aircraft

fixed point computation and is suitable for process and industrial control applications needing a real time facility over a smaller dynamic range. As wellas performing 16 and 32 bit function arithmetic, it can also find the trig functions, logs, More from 4 Between Towns Road, Cowley, Oxford OX4 3NB (0865 771431).

One device produced as

IN VIEW of the fact that the microprocessor has suddenly contain the public fact the microprocessor has suddenly contain to having a sie forms, and he will be microprocessorhesed all tion." facility the technical directional period of assency, even configuration is to hold a half-day contained to the forgiven for most of Microprocessors." on the fact the answer to the fact the public factor of the fact th

everything.

The IEE says that "it is perhaps excusable to think of most response to the control of the control

• MACHINE TOOLS Will cope

make ideas take shane components

can be handled by the Genturn VT1100 CNC vertical turning machine, according to the company marketing it, N.C. is 150 mm. Maximum and mini-Engineering. mam chucking diameters are This machine has a 50 hp 900 mm and 200 mm respecmotor which drives the table. tively. Table speed is infinitely variable over the range 6-18) un S-tool automatie rool changer and a CNC unit which rpm but optional ranges of 7-222 rom or 2-280 rom are also provides constant surface speed

available. The automatic tool Depending on the specificachanger is numerically controlled and the tool ram has an tion required, price of the automatic locking muchine ranges from £50,000 to system to clamp the toolholder. £50,000. N.C. Havingering 15 Overall diameter of the table at 26 Beaskin Boad, Walford, 1250 min and its thickness Herts WD1 8NW

6 COMPONENTS Senses high temperature men personnance integer 2.88 volts and the operating

rated circuit temperature sen- current ean be anywhere from sors, glaimed to be the first ICs specified for use up to 200 degrees C. have been developed by National Somiconductor, 301. Harnar Centre, Horne Lone, Bedford (0234 47147).

control.

mstant

This monolithic, two level device is designated LM105. operates over a -55 to +200 degrees C range and is claimed to be accurate to one degree.

It acts like a shunt regulator states National, with the voltage preportional to temperature and can be likened to a zener diode. At 25 degrees C the voltage is plastics.

0.5 to 5.0 mA with no change

in electrical performance.
Although it is supplied with initial accuracies of plus or minus one, three or six degree C, with the addition of a potentionester using a third connection, any device is easily call-rester to hater than one degree Calibration at 25 degrees Cir is claimed, easures accuracy over the full temperature range.

Applications are expected in heating and cooling controls, instrumentation and in vehicles. Sealing can be hermetic or



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w offices opening at: Broomhill (Sheffield), Doncaster, Driffield, East Molesey, Frimley, Harborne (Birmingham), Hunstanton, Linlithgow, Lurgan, Wate, And over 1,500 branch agents throughout the U.K.

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JOBS COLUMN, APPOINTMENTS

'Sheep with five legs, one doubly strong'

BY MICHAEL DIXON

wrote management consultant commerce, and also for its centralised research and devel-Jo Jacobsthal, nonchalantly, opment. The R and D, which from his office in Fribourg, accounts for about 4 per cent of Switzerland. By that, he added. turnover, is done at a site in he meant £45.000 exclusive of fringe benefits in kind.

technologist - turned - senior - prize to a Board seat in a executive, it struck me that the £45,000 stipulation might cut out a good many capable can-£45,000 stipulation might cut is out a good many capable caning. Another is capability of

put the point to him.

"Ah, I know you are all badly paid in the UK." he answered. trying not to laugh. But all the same, he felt that any applicant not already earning £45,000 or more in money, would need to offer a highly cogent explanation. tion as to why not.

"Here, you see, we are wanting not only the usual five-legged sheep, but one whose extra leg is of double strength," Mr. Jacobsthal added. Whatever the deprivations of UK managers, he felt that such a creature with earnings as stipulated would doubtless be among the Jobs Column's international readership.

The recruit is needed to be responsible to the £400m-turnover group's chairman for its internationally scattered pro- another major tongue would be specialists, making experience thought, wherever and by whom-

the Benelux area where the new technical director will be based then not visiting the far-flung

didates from the United Kingmanaging both a decentralised manufacturing operation and a put the point to him. fourth is copious know-how in given. engineering, preferably elec-tronic. And the extra "leg of double strength" is scientific ability sufficient to command the respect of the high-flying

> So one can perhaps under-stand Jo Jacobsthal's thinking that if such a person is not earning at least £45,000, then he or she must either have some clear reason for same, or be stark, raving mad,

Fortunately for UK readers still in with a chance, he has director of the company for its not added a further high hurdle whole sales and marketing in the form of a demand for activity. The job thus includes skill in Continental languages. Fluency in English is the only linguistic necessity, although

"ONLY THOSE earning at least duction of precision equipment a help, especially if it is of such activities, together with soever those restrictions are shaw. Stuart Hampshire, Dan 245,000 a year need apply." and systems for industry and German. The age indicator is numeracy, important qualifications.

The post is open Jacobson, Lady Longford, Sir commerce, and also for its about 38-45.

For anyone who meets these requirements, Mr. Jacobsthal requirements, Mr. Jacobsthal gather, is a record of personal started in 1972, wants to concentrate the last thing likely to success first in selling and then trate on his forthcoming book prove a problem in further in sales management in a highly on Alexander Solthenitsyn. negotiations is the pay and competitive market. And if the perks obtainable in the new experience includes managing a same scale is not essential in job. Inquiries to him at Euro. largely self-employed sales. Mr. Scammell's successor. But peam Marketing Systems, 5 force, so much the better. The Avenue Beaumont, CH-1700, age range is around 30-45. Since the person he is seeking factories.

for the managing Board of a

European multinational is a

is managerial experience appropriate turned senior - priate to a Board seat in a

priate to a Board seat in a

prione (0)37 24 32 80, telex

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36152. Being unable to name the employer, he-like the recruitment consultant to be mentioned below-guarantees to honour any applicant's request not to be identified to the client until permission has been

Sales director

"ONLY THOSE earning at least £25,000 a year need apply," says recruiter David Dumbelton, of the Dirk Degen-hart and Partners consultancy, about the sales director he seeks for a company in the doubleglazing business.

Based in a pleasant city a bit more than two hours from London, the newcomer will be responsible to the managing preparing marketing plans and dealing with advertising agents expose and combat restrictions and other sales promotion on the expression of free

gather, is a record of personal Rewards will consist of a negotiable combination of basic salary, commission, and equity share to a total which Mr. Dumbelton will not disclose My own guesstimate would be a base salary of around £15,000

or so, with the rest attuned to raise the total to at least £40,000 or, for outstandingly qualified candidates, £50.000-plus.
Inquiries to Mr. Dumbelton at 140 Sloane Street, London SWIX 9AY; he is out and about a lot. but telephone callers should be able to trace him by

Free speech "ONLY THOSE prepared to

work for at most £10,000 salary

way of 01-730 0341.

need apply," says Mark Bonham Carter. But the job he is wanting to fill is, to my mind, tional Trust which exists to

But still more important, I has held it since the trust ather, is a record of personal started in 1972, wants to concen-

director will be in continual contact with writers, both eminent and unrecognised. The latter variety include many who live under regimes of one sort or another which ban free expression, and whose work is smuggled to the trust's London offices. There it is published once every two months in a magazine called Index on Censorship, for which the director has overall editorial responsibility although the magazine's production is in the

editor, George Theiner. Among the other nine fulltime and four part-time staff are Philip Spender, in charge of administration, and experts on doing so not least through the the Middle East and Africa, media.

Asia, and Latin America who "Apart from the opportunity produce research reports as well to earn broadcasting and writ-

capable hands of assistant

as contributing to the magazine. very special indeed.

Ability to manage the staff salary," Mr. Bouham Carter
It is the directorship of the must be combined with ability says. "we can't afford to offer
Writers and Scholars Education to "exploit" the trust's 16-strong much more than the challenge." council, says chairman Bonham Carter. The other 15 are David Astor, Robert Bernstein, Louis Blom-Cooper, Edward Crank- 5HP.

way, Jim Rose, Evelyn de Rothschild, Lord Sainsbury, Mrs. J. Edward Sieff, Stephen Spender and Tom Stoppard. I hasten to add that by "exploiting" the council Mark Bonham Carter does not mean squeezing them for more con-

tributions than they make already. The £15,000 that the trust will need in addition to its already expected £60,000 income this year, will have to be found elsewhere, and the new director will be much occupied in finding it. One source is increased sales of the magazine at home and

abroad, possibly by cultivating small "agencies" of like-minded people in other countries. Another need is to make the trust and its activities far better known generally than they are today, by fund-raising and other public relations campaigns. So the director will have to be capable of drumming up popular support, and of

ing fees, and the abysmal Written applications only to him at WSET, 21, Russell Street, Covent Garden, London WC2B Peteriee Development Corporation



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The Container Industry

The world's container industry remains a growth business, with traffic increasing at more than 15 per cent a year. The container revolution has led to a major improvement in transport productivity, but its benefits are still a long way from being fully realised.

Immense potential for growth

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By William Hall Shipping Correspondent

IN THE history of transport, the c: snips from sail to steam.

Virtually overnight it made of the world's ports and insobsolete. It led to the loss thousands of jobs and a dical restructuring of the

industry. It are breed of shipowner he anonymous leasing com-

continues to stagnate,

The world's container inbusinesses it occasionally suffers new vessels. from growing pains—and this is. A large new container ship what is happening at the costs over \$80m these days, moment. The heady growth while the cost of new engines rates of the 1970s are starting to taper off, yet there is a con-siderable amount of new tonnage scheduled to come on stream over the next few years. The carrying capacity of the world's conventional container tition now in evidence. carrying fleet. for example, is forecast to rise by nearly a Heavy investment

Over the longer term, the transportation of containers should be container revolution, which more stable than other sectors of started in the early 1960s, has the shipping industry, such as probably had a bigger effect on bulk shipping. However, at the moment the shipping companies are faced with massive overtonnaging, fierce competition and rate wars on most of the important trade routes of the world. While this may be considered by the shippers as good. clean knock-about fun, if it continues for long periods it could prevent the full benefits of the

revolution being

container

For the established shipping Today, something like 2m operators, the two main worries boxes are shuffled around the are the sharp rise in fuel costs operators, the two main worries orld and container traffic has and the strength of the outside been growing at more than 15 competition which is threatenper cent a year. In 1979, the ing the stability of the shipping world's ports probably handled conference system. In the around 30m boxes more than short-term, the rise in fuel costs traditional cargo liner trades lete. Ships fitted with powerful will be containerised by the end steam turbine engines and of the century. To date only designed to cruise at speeds of

growth, even if world trade Thus, shipowners are having to decide whether to fit new engines to ships which are less dustry remains a growth busi- than halfway through their ness, but like all growth active life or build completely

amounts to \$20m a ship. So, owners are opting for the latter. Nevertheless, it is not an easy decision to make, since the return on investment is far from ping conference operators. certain given the fierce compu-

In the early days of the container revolution some people considered that the heavy investment in new ships and specialised equipment would safeguard the container ship-ping industry from cut-throat competition. The entry cos The entry costs

However, while container shipping is a highly capital-intensive business it has become clear over the last few years that this has not deterred outsiders from entering. Cheap shipbuilding credits have encouraged overbuilding of new tonnage. In addition, the rise of the large international leasing companies has provided many would-be container shipping companies with necessary entrance fee. Instead of buying ships and containers, they lease them.

The established liner operators have always faced outside competition, but there are rea-Furthermore, experts reckon made roughly half the world's competition is stronger than that about 80 per cent of the container shipping fleet obso-traditional cargo liner trades lete Shipe steed with the container shipping fleet obsosuch as the Taiwanese Evergreen Line and Tsvi Rosenfeld's of the century. To date only designed to cruise at speeds of Antwerp Bulk Carriers, have half of all the potential traffic up to 27 knots can no longer scored some spectacular suchas been captured so there is compete with the slower, but casses in winning important considerable scope for further more efficient, diesel ships customers away from the ship-

Lahour relations Freightliners Ill Shipping companies 11 New technology 111

Air cargo IV

Railroad poses a far greater long-term threat. The TSR has creamed off virtually all the growth in the Far East trade during the last three years and now accounts for around 30 per cent of all Westbound container movements and 24 per cent of Eastbound movements. The stated objective of the TSR is to carry half the Europe/ Far East trade. It is considerably cheaper than conventional container ships and transit times compare favourably, in many cases.

If the TSR's growth continues at its recent pace, many of the established operators will be out of business by the end of the decade. However, any solution of this problem is up to governments. There is little the shipping companies can do to protect themselves.

Already, there are signs that the shipping conference system is coming under considerable strain. The influence of formerly powerful conferences such as the Far East Freight Conference is being eroded by outside com-petition. And Sea-Land's recent decision to pull out of many of the conferences in the Pacific trade was another tell-tale sign that all is not well

Traditionally.

have worked on the principle While this has upset the of charging what the traffic can status quo, many companies bear. This is now proving to believe that the Trans-Siberian be their Achilles' heel. The chairman of OCL, Sir Ronald Swayne, recently said that the difference between the highest and lowest container rates was a factor of seven.

If all rates were brought down to the lowest level on OCL's Australian business, it would have to give up operating. Similarly, if a mean rate was quoted which would maintain

the shipowner's revenue, the lowest rates in the Australian trade would need to be doubled and much of the traffic for which freight costs represent between 12 per cent and 20 per cent would disappear.

Pricing policies

While these arguments are sound enough, the differential pricing policies mean that a determined outsider can win custom by quoting cut-price rates for high-value merchan-

For the shippers, as opposed to the snipowners, a rates freefor-all on the world's main container routes may seem attractive but if prolonged it could lead to established operators being driven out of business and the overall quality of service declining.

Hapag Lloyd, Germany's lead-

shipping company. calculated that slapping services on the Atlantic trade are costing shippers some 20 per cent more than they need to, because of uneconomic compe-

tion has led to a major improvement in transport productivity, its benefits are still a long way from being fully realised. Restrictive practices at many of the world's leading ports are hindering the most efficient use

of containers. The idea of inland parts and full integration of transport systems is still far from deve-loped. Many operators still believe that the major cost element is the transportation of a container by sea and forget to examine the costs of land transport at either end.

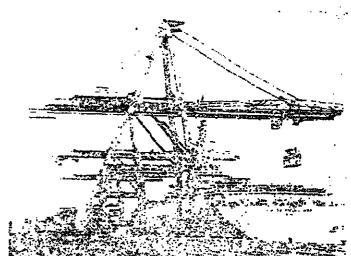
During the next docade, shippers will concentrate on developing a through transport system and view the use of the container in the light of such things as packaging costs, ware-housing and inventory control. While the technology is in place, the commercial development of the container revolution has a long way to go. Eventually, the focus on the ship and the port should fade as operators perfect their inte-

grated transport systems. In the short-term, the rise in prices and land-based transport costs have meant that shippers are having to pay much more attention to such mundane matters as the most efficient ways of stowing goods

Another matter attention is the large amount of water being carried around in containers. By freeze drying powdering some shippers can also reduce

their shipment costs.

in a container.



for the Far East being louied at Southampton's Prince Charles Container Port, about the "City of Edin-ourgh," operated by Ben Line Containers Southampton is Britain's principal deep sea container port, handling mare than 200,000 units last year.

WORLD CONTAINER ROUTES

	Annuai traffic capacity‡	No. of ships	Vessel capacity#	world fleet
N. Europe-ECNA+	1,532	46	53	13.7
WCNA°-Far East	1,468	74	83	20.6
Europe-Far East	988	41	93	22.9
ECNA†-Far East	529	24	35	8.6
Europe-Australasia	263	21	33	8.2
Europe-Middle East	242	18	18	4.4
Far East-Australasia	206	$-\frac{1}{12}$	12	3.1
Europe-South Africa	186		12	3.0
Total deen-con	E 184	202	402	100.0

"WCNA-West coast, North America. † ECNA-East coast, North America. ‡ Capacity in '000 TEUs (20 ft equivalent units). Source: H. P. Drewry (Shipping Consultants), 1978.

Today we can handle cargo of every type

in today's totally container-oriented world, its sometimes difficult to believe it was just 24 years ago that the first service was inaugurated :

The company responsible was Sea-Land. And even though literally hundreds of firms have mushroomed since then, we can still daim to be the outright leaders in the business.

. We're now the world's biggest container company, with our own terminals in 136 ports in over 50 countries. We've also designed and perfected our own lightweight chassis system that allows us to carry heavier loads than other operators and to reduce waiting at our exclusive terminals.

fast and efficiently in containers custom-built forthe purpose. We even have a mobile laboratory constantly manned by trained technicians, which can travel with refrigerated consignments to monitor their progress and condition at every stage.

And were continually looking for ways to improve and streamline our service. In 1980, we're investing £300 million in a fleet of 12 new fuel-efficient diesel container ships.

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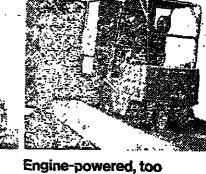
Lansing Henley Hermes 25TR is rugged, compact and powerful-and its 2875mm (113") height gets it into many tween-deck spaces that other trucks can't cope with.

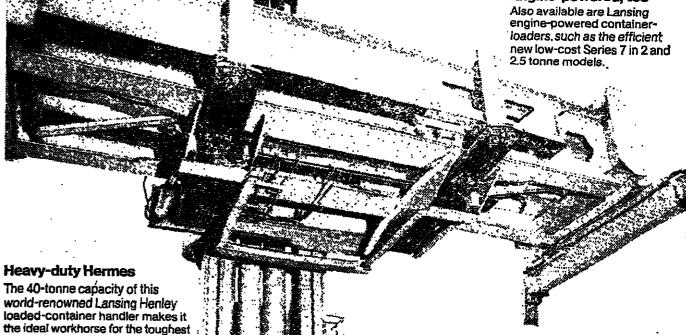
Hercules range is used worldwide for precise, swift, economical stacking of empty containers. Choice of mast lift heights and optional handling attachments.

Lansing Henley's versatile



loading and unloading. Ability to handle other tasks as well makes them highly cost-effective.



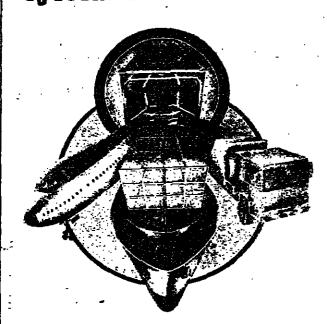


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solve problems..save time..save money

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- 3 Filling and emptying of the Bextble containers is carried out in the same way as with conventional tanks. With normal maintenance and cleaning care, the lite of the containers is approximately ten years.
- 5 The flexibility of the containers allows for temperature expansion and contraction. This is of particular benefit. In closed circuit installations.
- 6 Rexible containers provide a "door-to-door" service, saving the costs of drumming, static storage charges, inland railage and handling charges. 7 Flevible containers are capable of carrying a very wide range of liquids including Wines, Shernes, Detergent base materials, Mineral oits. Vegetable oils, Plasticizers, Latex, Fruit jouices, Sorbitol, Glycerin, Technical White oils, Leuryl Alcohol, Diesel oils and many others.

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Goldlay House, 114 Parkway, Cheimsford, Essex. Tel. (0245) 68381, Telex 995021.

Pressure on labour relations

the past few years is under con-siderable pressure and could break down at any time. They argue that employers' optimism is based on false premises and that conditions have not really changed since the mid-1970s. The problems of labour rela-

tions in the container industry are linked to those of the dock workers. Employers and workers at almost every stage on the freight handling chain, from the time a ship ties up to de-livery to the retailer, are dependent ultimately on what happens at the docks.

The problems there were seen as crucial by both the industry and the Transport and General Workers Union at the time of the Dock Work Regulation Act's introduction in 1976 and the 1978 Dock Labour Scheme. The two-year struggle started

with the Act and finished with the union's defeat over the practical details of the Dock Work scheme in 1978. The scheme, if passed, would have meant the extension of the employment of registered dockers to handle all cargo within a half-mile corridor extending inland from the port. Dockers felt that they needed the guarantee of handling work because of the dramatic shrinking of the job market caused by containerisation. The con-tainer revolution in the 1960s report last month forecast a further drop to 55,000.

work in the docks is mirrored by a working guide the National tions on dock work. The Ports Council uses to measure Department of Employment the effects of introducing a says it will be some time container agreement. The before a decision is reached container agreement.

Full container

Part container

Container/Ro-Ro

Container/barge

Comclear Terminal Ltd.

WORLD CONTAINER SHIP CAPACITY

in '000 TEUs (20 ft equivalent units)

1976 1977 1978 1979

Source: H. P. Drewry (Shipping Consultants).

459

54

88

23

387

23

TRADE UNION officials are con-vinced that the relative peace container depot can do the in the container industry over work of seven or eight in noncontainerised ports.

This reduction over the past ten years has meant that the collective arrangements concluded by the Transport Workers have been overshadowed by manpower cut backs. The development of backs. depots outside the dockland areas exacerbated the general insecurity, although employers argued it meant increased employment and an economic use of resources.

The container confidence was hit severely in 1976 when docker members of the union blacked the lorries of about 150 haulage companies serving container depots. Even more striking was the incident. in 1972, when London dockers were jailed under an order of the then National Industrial Relations Court over the picketing of a cold store plant.

To prevent such union squabbles the Transport Workers persuaded the Government to introduce its Dock Work Regulation Act in 1976. The Act has enjoyed an unfinished status because of the changing political fortunes of the period and the uncertainty over the state of the law has led to trade union worries.

Consultations

The Government is engaged and 1970s has brought a resultion in the numbers employed and the cargo handlers used in the docks, from 130.000 in implementation of the 1976 Act.

Mr. Patrick Mayhew, Parliasibility for legislation at the Department of Employment has The decline in the amount of met both sides for tentative discussions about the regula-

order

As a

of existing

fleet

29



The container recolution has brought a dramatic shrinkage in the job market for dockers. Atlantic Conveyor container ship being loaded at Lc Havre

because of regional differences, for dockers in containerised In general, the Government remains opposed to the idea of the dock labour scheme, which provides the cornerstone of the move to give container work to But an important question over this attitude was raised by the decision in November to add Hunterston on the Clyde to the list of about 200 dock labour scheme ports.

The dock scheme has strengthened the union's negotiating role, with all dock work done by registered dock workers in the main and the registration of employers. Ports outside the dock scheme with strong container traffic, such as Dover, Portsmouth and Felix-stowe, have less tight job security and a degree of greater flexibility.

Both unions and management

now accept that the container revolution has come to stay. Union tactics are to try to secure the strongest possible deal for their members with tough bargaining. The Port of London Authority, which has over the Didcot inland container increasingly shifted the centre of its activities to Tilbury and further to be nearer the sea, discussions, agreed in December it would be unfair for a dockestimates that the wage rates to allow freight operations

work is about 30 per cent higher than for dockers working in the declining

The authority says the higher skills required of the dockers in handling a wider range of machinery account for part of this differential as does greater productivity, but a high pro-portion is due to the price the employer had to pay for containerisation's introduction.

In Liverpool, the Mersey Docks and Harbour Company, the port's operating authority, prides itself on consultation procedures introduced to involve unions in discussions and decisions over working practices and new equipment. The harbour company says this has led to a good working relationship and acceptance by the workforce of the value of

the container industry.

One of the main pointers to the employers' hope of a trouble-free period in the indus-try was the agreement reached clearance depot. Southampton dockers, after almost a year of

although may also be extended to the rail terminal within the

Didcot depot Leaders of the dockers' section of the Transport Workers have urged the Government to clarify the position over container work that is to be dealt with by their members.
They have emphasised that nothing has changed fundamentally since the last round of union disputes and the position could be made even worse by the downturn in economic activity expected this year.

At present, the handling of freight containers can be done by any group of workers and many employers have found it cheaper and more convenient to set up premises outside dock-land. Transport Workers' officers say there has been an emount of cowboy practice in the industry and this has not altered since the mid-1970s. One dispute could cause the whole position to deteriorate markedly and very quickly, they say.

The prospect of intra-union conflict with its particular intensity and destabilising effect on industrial relations is a pos-siblity both employers and unions view with horror. However, the Government does not intend to rush through any measures which would tacitly expand the dock rabour scheme. Employers, notably the Cold Federation. Storage and consistently the dock labour strongly the scheme's imposition on the in-

dustry. While the union argues that the introduction of a corridor will alleviate the problems caused by the redundancies stemming from containerisation, the employers are airaid of the monopoly power this would give the unions. They also say

THE WORLD'S TOP 10 CONTAINER PORTS

New York	*(*000 TEUs) 2.100	Annual Fo increase 9.9
Rotterdam	1,594	21.1
Kobe	1.447	6.4
Hong Kong	1,226	9.7
San Juan	1,112	41.4
Oakland	682	12.5
Seattle	648	6.8
Hamburg	600	27.4
Bremen	576	13.4
Tanhsinne	570	61.5

* 20 ft equivalent units. Source: Containerisation International (1975 figures).

that, economically, should be located inland.

The fundamental problem in labour relations in containers remains unanswered: should the workforce at the point of entry dominate and control the dis-tribution, particularly in view that its numbers are declining? The question takes on an added twist when the people who are doing container jobs inland are also members of the same union.

The Government is caught in a difficult position over what it should do when it has com-pleted its consultations, possibly by the end of the year. A decision not to introduce a corridor means the continuation of the possibility of a Transport Worker's flare up. The alternative—to introduce some sort of Dock Regulation scheme would go against all the Conservative Party's pledges and attitudes while in Opposition,

Gareth Griffiths

Problems for operators

AS A GENERAL RULE, liner powered vessels, burning only Register of Shipping puts the shipping services are the last half as much fuel, are making figure in mid-1979 at 594 or to feel the effects of a shipping inroads into the traditional around 10m registered gross recession and the last to recover markets dominated by the contonnes. In addition, there are trend that is certainly true ference lines.

another 300 or so part -a trend that is certainly true ference lines.

the past year but the liner with cheaper diesels. This is trades (roughly half of which trades (roughly half of which both a costly exercise (up to are containerised) are still \$20m apiece) and means that battling with the worst reces ships have to be taken out of sion since the 1930s.

Overseas Containers (OCL) is Europe's biggest container is Europe's biggest container Given the poor financial shipping company, and therefore returns that are being achieved, provides a good barometer of the industry's fortunes. In 1976- are finding it difficult to justify 1977, OCL made pre-tax profits a decision to re-engine, since for of £53m. Then, in 1977-78 it come it means paying almost as made profits of £36.7m, and stockbrokers are now forecasting that its profits for 1978-79 and 1979-80 will fall to £27m Tough competition and £19m respectively.

At the other end of the

spectrum, Bell Lines, one of the few specialist short sea container operators, has reported that its turnover in 1979 rose by nearly a third, but profits were the lowest for five years. Wherever one looks around the container shipping business, operators are finding it tough going.

Last year there were no spectacular collapses to match the demise of the Pacific Far East Line in 1978, but if the are here today and gone recession continues to drag on tomorrow. However, there are for much longer, other shipping companies could go to the wall. Already, one or two small operators such as Bavaria's Overseas Continental Container Line has had to "temporarily"

There are four major problems confronting the established container shipping operators. The first, and most viable, is the rather embarrassing fact that roughly half the world's large container fleet has been made obsolete by the latest oil price

The second problem is that outside competition from both conventional and less conven-tional sources, such as the Trans-Siberian Railway, has become increasingly important and this competition is undermining the stability of the shipping confer-ence system. Finally, there are the twin problems of massive over-tonnaging in certain trades, plus the sluggish growth of world trade generally. Oil prices

All four problems are interconnected and cannot be viewed in isolation. The most pressing problem for operators, however, the rise in fuel costs. A large proportion of the container ships now in use were built before the first of the OPEC oil crises, in 1973. They were designed to cruise at up to 33 knots, because speed, rather than fuel economy, was a key factor in successful container

As a result, the sharp rise in fuel prices has hit shipping companies harder than most. During the last six years bunker costs have jumped from \$18 per ton to \$190 per ton. For a large container ship, burning 400 tons

a day, this is equivalent to an extra \$25m a year.

Many of the ships built before 1973 were equipped with powerful steam turbines. prices, these are no longer around, economic. Outside competitors Drewry

Rates for dry bulk carriers large operators are being have more than doubled over forced to re-engine their ships A growing number of the action for at least six months at a-time.

many container ship operators some, it means paying almost as much as the original cost of the

OCL and Ben Line Containers have already taken the plunge. Others will soon follow or face being driven out of business by the competition. In the old days, shipowners could rely on the shipping conferences to stabilise the cyclical nature of their business. However, this is no longer always true.

A number of outside competitors have started to appear Some are fringe concerns that others that pose a longer-term threat. The two names most frequently bandled around are those of the Taiwanese Ever-green Line and the Mr. Tsvi Rosenfeld's ABC Containerline. suspend their container shipping Both pose special problems for services. The established shipping fra-

> Of the two. Evergreen Line is probably the biggest thorn in the side of the established operators. It has been rapidly expanding its fleet and its carrying capacity should overtake that of OCL over the next year or two. Its fleet is considerably more modern and manning levels and fuel consumption give it a competitive edge. Its latest ships—four 1,800 TEUs (20 ft equivalent units)—will be operated by a crew of 16 which compares with figures of 36 for large rivals, such as those operated by OCL. One major shipper, Ford (UK) has already deserted the conference lines for Evergreen.

The other controversial figure

among the established operators is Mr. Rosenveld and his ABC Containerline. He has a lucrative long-term contract for the transportation of mineral sand from Australia to the U.S. Gulf and is using this to subsidise the carriage of containers, as well. Some operators see the combined bulk/container concept as the shape of things to come. Others argue that it is too inflexible and claim it cannot provide the same level of service as a "pure" container operation. Nevertheless, ABC has been under-cutting the conference operators and feels sufficiently confident to plan the introduction of another six bulk/container ships.

The other big problem for the established operators is the serious over-tonnaging that is now emerging. There are dif-ferent estimates of how many powerful steam turbines ferent estimates of how many Because of the sharp rise in oil pure containerships there are According to H. P. Drewry (shipping consultants) diesel there are just over 400. Lloyd's container/roll-on-roll-off vessels.

During the last few years the world's containership fleet has been growing by around 15 per cent a year. In addition, there is a big backlog of new orders which will ensure that it will continue growing at much the same rate in 1980 and 1981.

According to Fairplay's World Ships on Order, there are 303 container ships of 4.1m dwt due for delivery over the next couple of years. This is equivaworld ship orderbook. while this may not sound a lot, it must be remembered that container ships only account for 21 per cent of the world's

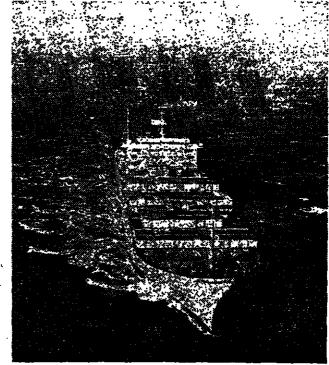
H. P. Drewry estimate that during the next three years the world fleet of full container ships will increase by nearly a third (based on carrying capacity). Given the sluggish outlook for world trade and the fact that most container trades

WORLD CONTAINER SHIP FLEETS

	No.	gross tons)
UK	85	1,773
U.S.	95	1,766
Japan	59	1,392
Germany	. 45	1.029
Denmark	. 16	489
France	16	391
Liberia	33	344
Singapore	33	339
Netherlands	13	313
Panama	35	282
Other	164	1,878
Total	594	9,986
Source: Llog	yd's R ipping	

have reached maturity, the outlook for the container shipping companies encouraging.

William Hall

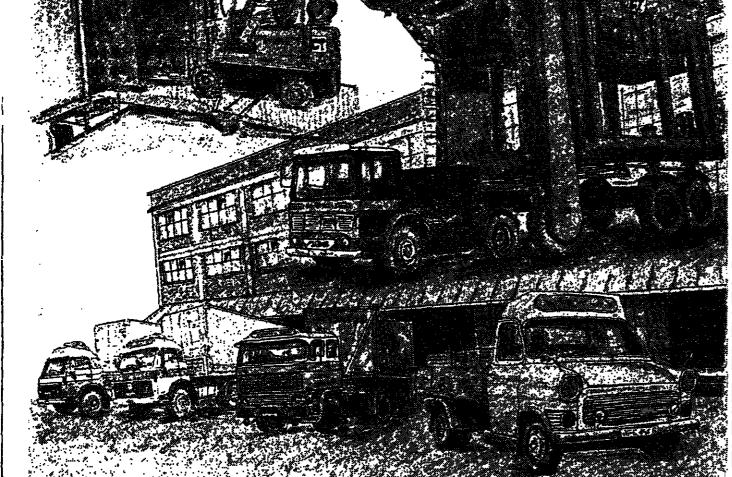


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Automated handling provides hope for manufacturers

AUTOMATION OF container handling is the target of much of the new technology now being developed, often based on microprocessors, for the inter-national container industry.

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Progress in the field essential, particularly in current market conditions where container capacity—in the manufacturing works and in container using companies— has outstripped demand in the trough of one of the industry's traditional cycles of economic

In Britain, the trading position for the 15 main manufac-turers of containers and their customers, has slumped customers, dramatically, Manufacturers reported towards the end of last year that orders for the year were almost a third less than for 1978.

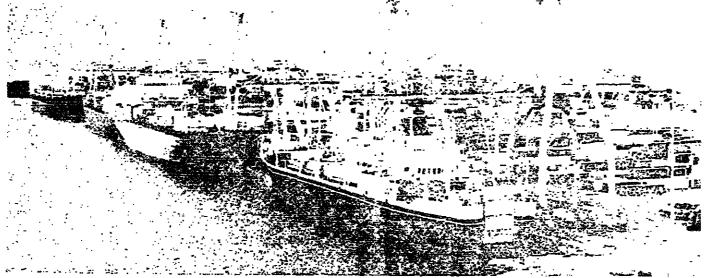
The rising value of sterling against most other world currencies hit exports of containers. But foreign competition. particularly from the developing nations of the world, and an increase in the use of technical advances in the more failure and unplanned stops in prosperous developed nations. have also had an impact on the British industry.

One of the essential steps towards ensuring efficient con-incoming data, but also acts tainer handling is to try to as a link between the crane achieve maximum utilisation of existing equipment—containers and the cranes used for small computer which finally handling at docksides and inland makes possible an analysis of

An advanced example of this is being installed in Seattle, U.S. The technique involved is known as a "computer-based crane monitoring system." It is designed to increase the efficiency of maintenance operations where these are unavoidable, to reduce maintenance requirements through more efficient working and to extend the life of equipment, as well as to increase the

availability of equipment. The technique uses a computer to monitor the output of a series of sensors located at crucial points around the crane. Motors, generators and vital structural parts of the crane are all wired with sensor equipment, and as many as 70 points

The sensors provide the computer and the maintenance performance, engineers with a constant flow The system



Liverpool's Royal Scaforth Container Terminal

container-handling operations.

A remote terminal unit, using electronic processing techniclogy, is designed to analyse as a link between the crane sensors and the so-called "central station"-based on a makes possible an analysis of use 10 container handling

Relevant data

The central station unit provides detailed maintenance logs and reports as well as analysing. storing and displaying all data relevant to the improved main-tenance of each container billity of a changeover handling crane.

Of particular value to management are the comprehensive reports of individual crane rail line. Containers are now performance. These are consolidated over a period, and management is given an accurate record of operational time cranes. variations from crane to crane.

Further analysis of these not performing satisfactorily— and the reasons for the poor

of data on oil temperatures and for avoiding disorderly down- to Freightliner's rail operations, pressures, crane engine speeds, time on cranes and enabling particularly if a new weight, hydraulic oil pressures and management to start a preven embracing a full loaded congeneral vibration which can tive maintenance programme tainer, is permitted on British shorten the life of components on the basis of known facts roads.

and lead to premature crane about the container handling cranes and their components.

In Britain, Freightliner, the British Rail container transport subsidiary, is studying a techmuch-needed flexibility into as the ULS container process and table, system, container-handling operations transfer containers from rail to road vehicle, from train to stitut, train, or on to a platform or

The complete system is selfsupporting and can thus be used at any point on a railway line. This clearly opens up the possi container from road to rail or vice versa at any point where a normally handled only at road/ rail terminals equipped with high capital cost overhead

invaluable for Freightliner if the British Government decides records enables management to to increase the maximum per identify those cranes that are mitted weight of lorries when the Armitage inquiry, now looking at the possibility, has The system has the potential weight lorries may pose a threat

Freightliner has exemined British Rad acoposal. proposals for a mod/mit con-Bratish Ball research and from West Germany

The Grinon project-known System—was continues arred to nische Forschungsgellschaft and Verkehrswissenschaftliches Inthe work with Mak Kiel.

The ULS system, like the

als for a road/rail range festated to transfer a loaded transfer sy tem from international size container from a rati our to farry or tice verse. The power for the sta affic wagon econes from a diesel-

The British Rail research conwithout the need for more the West German Ministry of cept — which is designed terminals. The technique is Research and Feelingley. The altriagely is improve the combased on a "container transfer vehicle." This is a rail-mounted shared between Forder techsystems against competition from road transport—is being stitut. A prototype was systems design stages. The pro-exhibited at a fransport equip-ment exhibition last year. FFG is to continue development of the protocolor.

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WORLD CONTAINER TRAFFIC in '000 TEUs (20 ft equivalent units)

	1973	1974	1975	1976	1977	1978
PORTS			5,569	6.094	6.102	6,802
North America	4,989	5,449			6,349	7,221
North Europe	4,353	4,890	4,729	5,431		2,917
Japan	1,596	1,906	1,867	2.380	2,708	
Australasia	695	761	815	837	1,019	1,075
Sub-total	11,634	13,007	12,982	14,743	16,181	18,517
Far East	1.051	1.538	1.892	2,643	3,248	3,859
South Europe	691	815	925	1,289	1.412	1,675
	123.	150	157	330	714	1,277
Mid-East + Nigeria	-690	734	1,165	1.254	1,497	2,275
Others	2,557	3.238	4.140	5,517	6,873	9.087
Tetal	14,192	16,246	17,122	20.260	23,054	27,105
	Source:	Containerisa	tion Internat	ional.		

An unsettled year at Freightliners

7,000 containers, is likely to smooth transition in its first full show a firm trading profit for last year, despite a £400,000 loss Freightliners made a trading for the first like a £400,000 loss. for the first six months.

The loss was attributed to the member road transport companies. The strike cut Freightliners' expected revenue by over BR. a third from £9m forecast to £5.8m. This resulted in a trading loss of £1.6m for the first two months of last year.
Mr. Cyril Bleasdale, the

managing director of Freightliners, however, said that the company's turnover had recovered from the second quarter last year and in the second half of the year turnover rose by between 4 and 7 per cent compared with the same. period in 1978.

The unsettled year came at an unfortunate time for Freight-liners. In 1978, it had once again been forced to move its corporate home. The Transport Act 1978 called for Freightliners to be transferred from the State owned National Freight Corporation back to British Rail,

its original owners. The "freightliner" concept in Britain had been introduced into started to swing business away from the roads his way.

British Rail in 1965, with the establishment of a system of Behind these structural container terminal to terminal container establishment of a system of terminal to terminal container

was largely welcomed by on developing the side of its able for transport.

Freighbliners, but the strike by business based on markime Lynton

Transport and General Workers' trade. The basis for this mar-

FREIGHTLINERS, the British Union drivers last winter Rail container transport sub-rippled the surface of what sidiary which operates a fleet of would otherwise have been a strength transition in its first full

Freightliners made a trading profit of £1.7m in 1978 but this was after allowing for the finanstrike by drivers employed by cial restructuring of the former the Road Haulage Association's parent, the National Freight Corporation and the transfer of the container company back to

On a basis of no restructuring, the trading profit would have been £1.4m in 1978, compared with £1m in 1977. The company's revenue rose £46.1m in 1977 to £51m in 1978 and Freightliners .. expects to report a turnover for 1979 of

The forecast turnover for this year is around the £74m mark.

Confident

In the longer-term, the comtinuing rise in the price of fuel, especially diesel fuel for lorry transport, will favour its integrated road/rail unit container transport system.

However, Freightliners is not content to wait only for this change to come about, although Mr. Bleasdale is certain that the rising price of fuel has

the fuel increases, Freight-The return to British Rail liners is steadily concentrating

keting strategy is clear. Britain's gross national product is growing at a slower rate than that of world trade in general. Another bonus arising from

concentration on this sector as the most profitable part of Freightliner's business, is that few of their containers are involved. The company estimates that

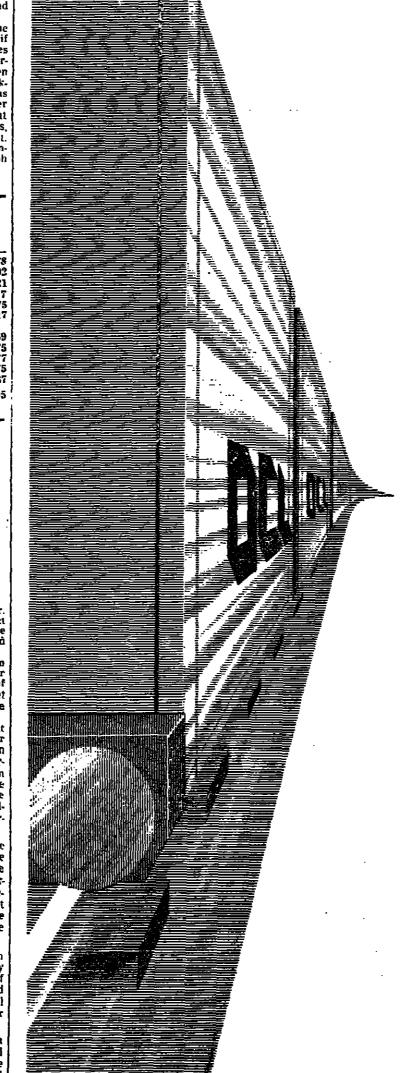
UK-based trades accounted for 53 per cent of its turnover in 1974. By this year the proportion of turnover coming from this sector is expected to have fallen to 43 per cent, with the balance coming from the handling of containers from over-Nevertheless, the rising price

of diesel fuel and the possible impact that may have on the popularity of a reliance exclusively on road transport, remains one of the most significant factors likely to determine Freightliners' fortunes in the

Mr. Bleasdale said last month that he estimated that for every 10p increase in the price of diesel fuel, Freightliners stood to gain an estimated, potential increase in revenue of 1 per cent

The validity of this formula is likely to be severely tested in the coming months as trade slackens further in Britain and other parts of the world, with a corresponding decline in the total volume of freight avail-

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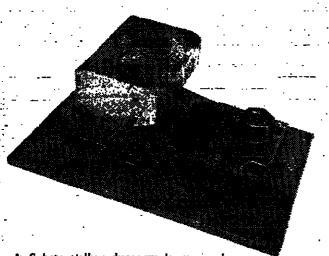


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operators throughout the world.

tion, during 1979 the scheduled sirlines of the 144 memberstates are estimated to have flown 27.7bn tonne-kilometres of freight, or about 7 per cent

more than in 1978. While slightly lower than in each of the three preceding years, the 1979 growth helped to sustain an average annual expansion of between 9 and 10 per cent for the decade as a whole, some good years in the early and latter parts of the decade more than offsetting a brief period of very slack growth around the time of the first oil crisis in 1973-74.

Several factors lie behind this growth, which is expected to continue into 1980—although many in the air cargo business are leating with growing conare looking with growing con-cern at the continued rise in fuel costs, which is now in fact the biggest single worry for the entire world air transport in-

These rising costs will have to be reflected sooner or later in dearer cargo rates, as they are also in passenger fares, and the big question is just how far such increases in rates will deter either existing or would-be

One of the major factors behind the past cargo growth, and one likely to stimulate expansion in the future, is the increasing awareness being shown by airline managements of the value of air cargo, and the prospective contribution that it can make to overall

The need to maximise revenues from all sources at a of financial squeeze, created by continued pressure from consumers for cheaper rates despite continually rising costs, is causing many airline managements to look more per cent of all air freight is closely at their cargo activities. now handled by freight

carry substantial tonnages of cargo in the belly-holds of their wide-bodied passenger airliners.

The rapid spread of this type of aircraft throughout the world during the past decade has been another major factor behind the growth of cargo traffic. By the end of 1979, well over 400 Boeing 747s alone were in service world-wide. with a backlog of another 100 or so awaiting manufacture and delivery, and with orders still .ni gniwolt

If the increasing numbers of both Lockheed TriStars and McDonnell Douglas DC-10s are also included, the world fleet of active wide-bodied jets in service at the end of 1979 was

Wide-bodied jets

By far the majority of these jets are in the fleets of the scheduled passenger airlines, creating a massive cargo potential that those airlines are now increasingly exploiting. These wide-bodied jet holds are eminently suitable for containers, which can be pre-packed by freight forwarders with a wide variety of goods, and as a result, along with the development of the wide-bodied jet, there has been a rapid growth over the past decade in the number and importance of the freight forwarders in the

air cargo business. Increasingly, the airlines, as costs of all kinds rise, are tend-ing to want to concentrate on airport-to-airport activity-the flying segment—leaving it to the freight forwarders to handle the surface collection, packaging Airlines, Tradewinds and Red-and distribution of the cargoes. coat in the UK, and Flying

It is estimated that about 90

AIR CARGO traffic continues to This is reflected in growing forwarders making extensive expand. According to the Inter-competition, especially among use of containers of various national Civil Aviation organisation according to the scheduled airlines which sizes. It is significant also that handled by the freight for-warders is collected, packed and taken to the airport, and sub-sequently distributed to final destination, by road.

Long hauls

Another significant feature of this scheduled air freight car-ried by wide-bodied aircraft— and even in that carried by narrow-bodied jets—is that the greater part of it is long-haul. While some air freight is car-ried over short hauls, the competition from surface truck and rail transport, particularly on very short routes in Western Europe, is intense.

Also, it is only comparatively recently that wide-bodied jets, such as the A-300 Airbus and the Lockheed TriStar, have come to be used extensively on short-haul routes, providing bigger cargo capacities than those available earlier in the holds of smaller narrow-bodied jets such as Boeing 727s, 737s or British-built Tridents.

As more Airbuses become available, it is likely that the scheduled airlines will seek to utilise this cargo-hold capacity, and some intensely-competitive rates may emerge in order to woo shipments away from surface transport.

In addition to the scheduled airlines—some of which also operate regular all-cargo flights both with wide-bodied and other types of aircraft—there is a much smaller number of spe-cialist, independent all-cargo airlines, such as British Cargo coat in the UK, and Flying Tiger and Seaboard in the U.S.,

and Cargolux on the Continent. These operators have pros-

Passenger airlines are steadily developing the massive cargo potential of wide-bodied jet holds which are eminently suitable for cargo containers. Above: containers being loaded aboard a British Caledonian DC-10 passenger aircraft at Houston, Texas

pered in the past few years, as a result of their entrepreneurial flair in detecting and developing new markets, not only in areas served by the passenger sche-duled airlines but also else-

Despite the growth of the scheduled cargo operations, these specialist independents are always likely to be needed, if only for their ability frequently to respond more quickly to ad hoc requirements for carrying difficult loads to difficult places.

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Leasing market dominated by U.S.-based companies

LEASING HAS played a promi- obtain lessors. As a result there nent part in getting the con-tainer transport system going sidered investment and in the since 1968, when a Moscow past few months the market has conference set international been severely affected by the standards. Unsurprisingly, the financial collapse of Edward G.

U.S. had led the way, as it led the way in the early 1960s in the development of the conconference, most of the conconference. rail-cars was a well-established developed, leasing and institutions.

The UK was slower in getting off the mark, and container leasing did not begin in any substantial way until the mid-1970s. Because the banks were not interested in this form of investment—in sharp contrast to the U.S. — UK leasing developed a peculiar form. It was aimed purely at the private individual, and the tax advantages were heavily promoted to

tainer idea itself. Leasing also tainers were owned by shipping caught on in Europe from the lines and other users. However, early 1970s, where leasing of as the boom in their use became the way to allow the users to farm out the heavy capital investment, According to Jane's Freight

Containers, lessors owned 20 per cent of containers in 1970, between 30 and 35 per cent in 1974 and their share is about 50 per cent. Industry estimates put the total number of containers in 1978 at nearly 2m 20ff equivalent units (TEUs), with leasing account-ing for about 1m. The leasing market is dominated by seven U.S.-based companies which were early in the field and now control about 85 per cent of the market

World leaders

The biggest is CII, with 200,000 TEUs in 1978, followed by Sea Containers, with 150,000 TEUs and Flexi-Van with 125,000. SSI, Interpool and ICS all had more than 100,000 TEUs in 1978, while X-Tra had 80,000. The growth of the U.S. leasing companies was fuelled by the U.S. Investment Tax Credit, which encouraged individuals, and, more importantly, com-panies, to become lessors to lessen their tax burden. Banks are heavily involved in the pro-cess, putting together large blocks of containers for clients and passing them over to the leasing companies for manage-

ment.

By contrast with the U.S., the UK leasing industry is minute. There are no reliable estimates as to its exact size, but the assumption in the industry is that it totals only about 20,000 TEUs. This is remarkably small, assidation the IUK posts are considering the UK ports are third in the international league table in handling container traffic, after the U.S. and Japan.

Probably a key reason for the smallness of the leasing market is the lack of interest shown by the banks, who do not regard containers as collateral for loans because of the difficulty of keeping track of them.

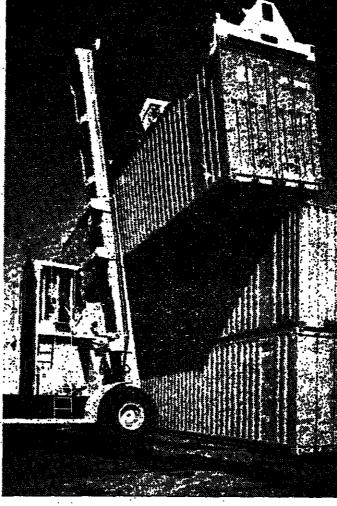
Nevertheless, in the mid1970s the UK became a fertile
ground for attracting private
investors to become lessors.

This was because in 1972 the Government had introduced 100 per cent first year capital This meant that lessors could reduce taxable income by their spending on containers in the year the container was bought. With marginal rates rising to 98 per cent, there was every

companies were advertising of the companies take advan-rates of return of typically tage by selling the containers between 15 and 20 per cent a on from the manufacturers at

incentive to do something with

the money—anything—rather than hand it over to the Govern-



Containers at the West Africa terminal at Tilbury Docks, London, being moved with a Hyster container-handler. This equipment has a lifting capacity of 80,000 lbs and is supplied by Barlow Handling Rentals at Maidenhead

appeared highly attractive. In the same time taking money fact, tax considerations aside, with the order rather than on 15 to 20 per cent is not very spectacular on a depreciating asset. But £300 a year from a

the remaining 80 per representing unpaid tax. Fragmented market

£2,000 container is extremely

good. A buyer has only to put up £400 of his own money-

The bare bones of the tax concession were worked over by accountants and tied to a number of schemes to reduce tax liabilities still further. With heavy promotion, investors rushed into the market without paying much heed to the specific terms of their involvement. The lack of discrimination led to a field-day for the leasing companies and to a very fragmented market.

different companies competing for business and few of them manage more than 3,000 containers. And with lessors concentrating on returns to Containers, where the leasing the exclusion of all else many on the investment, very substantial mark-ups. at

with the order rather than on delivery.

This all puts much more emphasis within the companies on selling containers to lessors rather than managing them once they are bought. Some of the companies have little management experience, running into difficulties as they lease containers to poor shipping lines or dubious destinations where risks of losing containers are greater.

With this shaky sub-structure, it was hardly surprising that the financial collapse of Edward G. L. Carter and Company in October precipitated a crisis of confidence among lessors and potential lessors. Several of the companies are aiming to set up competing institutions and assocontening institutions and asso-ciations to "clean up the indus-try," but it is likely to prove an uphill struggle to establish a better image among investors. In fact it is likely that the UK industry will not recover fully from the shock until the banks, or other financial institutions, move into the market to perform the functions

they perform in the U.S. David Freud

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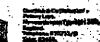
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EDITED BY CHRISTOPHER LORENZ

Christopher Lorenz on why and how Fichtel & Sachs, a German engineering company, is installing a highly sophisticated planning system

'Scientific management' with a human face

"SCIENTIFIC Management" is Geigy of the top management one of the most discredited "Leithald" concept (described terms in today's business world, thanks to the failure of so many 1979) prized management "systems" of quantitative techniques in the line management of this other areas.

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pearl of the famous engineering empire which Britain's GKN was going to buy two years ago from Gunter Sachs and his family, until the deal was retoed by Germany's anti-trust

claim that their new planning apparatus represents a step on the road to true scientific management. Over the past four years the company has built up a system worthy of the most highly and sensitively " managed " American multinational many times its 17000-

Far from being an exercise in the latest impractical consul- signals from outside the comtancy theory, the top management of F & S says its new and extensive procedures are of therefore unreliable fundamental importance if it is internal flexibility and co- the direction right and to have ordination. as well as the contingency plans prepared and parallel creation of a real con- ready for use, adds his chief sensus style of management.

Rather than just a co- Gerhard Goetzen, ordinated form of planning for ndividual product lines, F & S claims to be doing real strategic planning. It is now moving one step further forward, into what has become further known, thanks to Igor Ausoff and other evangelists, as strategic management." Among other things, this involves the development of a system to enable it to react quickly to various forms of weak carly warning signals from the outside world: at F & S it also implies the construction of a crisis management system to

can conceivably offer (short of world war. that is). As an example of how radical changes of any sort can be introduced into the management of a complex organisation, it is particularly significant that the top executives of F & S have cause without the mind-concentrating assistance of a corporate crisis; this was a major factor in the acceptance within Ciba-

M.Y.

On the liquidation of the com-pany as of the date of the meeting.

On the appointment of Curacao Corporation Company N.V and Corpors and Lybrand, Nessau. as liquidators.

On the transaction of such other business as may properly come before the meeting.

This year...

containers four high.

cope with the worst the world

by this column on December 5,

Not even the introduction of in the early 1970s: not only in Anglo - Saxon management planning, but a whole panoply pargon has apparently troubled very German company, whose Not so in Fichtel & Sachs, headquarters is tucked away near the East German border in the small Franconian town of Schweinfurt.

Unlike Ciba-Geigy, F & S still produces pretty specific tenyear rolling forecasts as part of At F & S-as it is generally dure, though only its two- to three-year operational plans are really detailed ("hard-nosed," to quote Walter Trux, the former IBM high-flier, who is now chief executive of F & St. But this does not mean that

F & S is committing either of modern planning's two cardinal which are extrapolated from the past: and then compounding the pany that suggest the forecasts are outdated and the plans

We don't believe you can to manage the company effect- calculate ten years ahead, but ively during the unpredictable, you must have some idea what 1980s. It claims the system is your current plans would mean aiready paying practical divi- for the bottom line," say. Trux dends, in terms of greater The important thing is to get of planning and controls. Dr.

Attitude

One reason why F & S and Ciba-Geigy differ in their attitude towards long-term forecasting is their size; with 17,000 people in 14 divisions, it is easier for F & S to organise itself to respond to changing circumstances than the 75,000strong chemicals and drugs group.

The nature of the companies' products also plays a role: F & S may be diversifying finto heat pumps and water purification equipment, for example), but it is still heavily dependent upon its motor components business. And the motor industry cycle is more settled and predictable than the ups and downs of chemicals and drugs.

This is not to say that F & S thinks its planning system incapable of improvement. Far succeeded in winning line from it, the company is managers to their planning extremely unusual in going on public record to point out the shortcomings, as well as the virtues, of its approach

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If the continual adjustment



of plans is really to take place, rather than just remain a grandsounding objective, a management must fulfil two basic preconditions. First, it must have a system which allows external "signals" of all sorts to be picked up quickly. Second, far more difficult, it must reinforce the system with a style and procedure which ensures that the signals will be fed into decision-making process sufficient weight to have al influence on those managers whose prime concern is inevitably with operational matters: the "today" of the business, rather than the

This means that the idanting function must not be isolated from the operational heart of business—as in so many past attempts at " ' scientific management - but integrated Germany with it. Moreover, this is the only way effectively to achieve the ideal type of planning system, a mixed "top-down" and "bottom-up" one, in which managers at all levels play a "Otherwise you have

centralised plans to which no-one feels committed," says Trux. To understand how F & S seems to have avoided the alltoo-common mistake of thruststaff-thereby rendering the innovation ineffective—one has to go back to January, 1976. Walter Trux left his 30h with IBM Europe in Paris to take over the top seat in

was in perfectly good shape layers: when he found it. True, every. • Operational planning (with one in the company was very a two-year horizon); much aware of the twin shocks . Product line planning (with ability at F & S had held up them; well, and the only reason for 3 A the retirement of Trux's pre-

Schweinfurt.



organisational changes Trux felt necessary were few; chiefly, a refreement already the man gement along productions, and the creation of a central planning and controls department under Dr. Goetzes. who had previously been in starge of data processing and centrel financial

subadiaries. Until Tract's arrival, P. 5 S. planning practices and followed the tenst common pattern on Germany as elsewhered several types of relatively shortterm plan up to a meximum of five years, Only investment and thing like this nerrod about. The plans were largely quantitative and were not closely co-ordinated.

"Only to a very limited extent did this fulfil the requirements of a management that could no longer rely for the achievement ing an ambitious new manage- of continued growth on adent ment system on an unwilling manneuvring in day-to-day busi-

Within a remarkably short time, the basis of an integrated planning system was laid, stretching through various levels tol time and detail) up to 15 years. It took only 12 months

to its industry of the acute car a ten-year horizon), with the recession of 1974-75, and in main purpose of spotting gaps particular of Volkswagen's tran- in the company's product or matic difficulties in the previous market strategy, and of initiatfew years. Yet sales and profit- ing the projects necessary to fill

system, to carry those projects through to fruition. IF & S decessor had been old age. through to fruition. (F & S Under his predecessor, the is unusual in using, for its procompany had been entirely duct planning and project manreorganised along divisional agement, both "gap analysis" or marketing

and the well-known product/ So product line planning was market matrix form of port- an obvious early step. "Then falso analysis. Many companies people asked why we only had favour one or the other). line planning, strategic planning says itself, will only be fully introduced later this year, though it

The relationship of strategic planning to the overall F & S planning system is shown in the illustration (for the purposes of clarity, it has been shorn of the many arrows which are needed to emphasise that the process is not linear, but iterative, with feed-back-forwards and sideways-taking place at every stage. The inset alongside explains how P & S opernes its strategic planning, and how is intends to unprove the processing of those all-import-ant "weak signal-" from the marketplace and elsewhere.

At first sight, it all looks a thoroughly daunting exercise So how have managers at all levels in on persuaded to overcome their natural scepticism about why such a system should now he a necessary part of their lives, it it was not in the past?

Active

First and foremost, as with am sort of immeration the chief executive's wholehearted and active identification with it has proved a key factor. A series of senior management ogethers away from the pressure of day-to-day business and at roughly annual intervals, has also played its part (as it did in Ciba-Seigy's acceptance of the "Leithild" concepts.

Another plus point is that Trux and Goetzen have avoided the temptation to try to import a ready-made planning "pack-age" from outside; though ideas were obviously drawn from other people's experience.

The readiness of managers at accept new attitudes and procedures was also bound up with the integrated nature of the Trux is emphatic that F & S to introduce the first three system the Board was trying to construct. * Once each element was implemented, people saw the need for the next one," recalls Trux.

For example, under the newly divisionalised structure he inberited, product line managers had been established. But the lack of plans and sufficient controls meant that the managers of some lines did not always have enough knowledge about - and influence over - other parts of the business on which they partly depended for supply

product line planning for exist-The next layer above product ing products, not new ones," ne planning strategic planning says Trux. This automatically raised the question of what type of business F and S should has already been applied at cer- in, and emphasised the need for tain levels down the organisa title next layer up strategic applysis and planning. fron, as well as to the group as The consensus system of planning at F & S is too

intricate to describe in detail: extensive description is con-German academic journals*.

One of the system's key characteristics is its use of a very strict procedure based on Management by Objectives conrelatively ' and more practical Tarzets. "Gual-" are set against each other in discussion with the consequent confrontation producing agreed "Objectives. Sometimes the proponents of a Target-often top management towards the relevant Goal, sometimes vice versa.

Thus approach is applied at all levels of the F & S planning process, for example to the creative tension between draft Strategic Plans (as Targets) and proposed or existing Product Jane Plans cas Goals). It is a rightness way of going about to the verbal cond, therefore, should have been extended to productly confusion which has the next level of substitistan, sweet many companies and con-the 30 trancies since the haleyon days units." 06 3550

With P & S now refining company's the strategic side of its manages markets, as well as its own ment system in co-operation resources (organisational strucwith academies at the University of Munich, it would be tempting for sceptics to dismiss as unrealistic the strict procedures that he benind this exact use of language. But the "scientific management" to which F and S aspires to a very different sort of animal from the inflexible and discredited ideal of many companies in the 1960s and early 1970s.

" Die Betriebswirtschaft." Helt 2, 1979 (pp 215-237). Publisher: C. E. Poeschel Verlag, Sintigari. Also Schmalenbach's Zeitschrift fuer betriebswirtschaftliche Farschung," Heft 3. March 1979. Publisher: Gabler-Verlag, Taunusstrasse 54, Wicsbaden.

Reprints of last year's series Management Page articles on Planning in an Age of Uncertainty are available in booklet form from Diana Treatles of the FT Publicity Department. Price £1.00 pins 15p p and p. Payment to be enclosed with

ological conditions can be over-looked and treatment delayed

with disastrous results." They

believe it is particularly im-

portant for employers to dis-

cover such conditions as

catarzots before a person embarks upon work involving a VDU, "to eliminate the poss-

ibility of such conditions being attributed to the work itself."

THE F & S OBJECTIVE: AR INTEGRATED PLANNING SYSTEM

STRATEGIC FRAMEWORK PLANNING Overall concept STRATEGIC ANALYSIS AND PLANNING 🤭 Ten-year objectives STRATEGIC CONTROL [(10-YEAR HORIZON)

Annual objectives STRATEGIC CONTROL II (2-YEAR HORIZON)

Monthly objectives

OPERATIONAL CONTROL (FLEXIBLE HORIZON)

The Standards strategie discuss those plans which need plans for the group as a who, or whose, and to agree changes, as well as for its 14 product lines; by mid-1980 the process matrategie business The precess starts with a "strategic analysis" of the products ture, personnel, equipment and

aided by a series of tools. including both "gap analysis and the product/market matrix. "Early warning signals" are fed in too, as part of the "environmental analysis." development of plans which include resource strategies is considered of great importance at F & S, unlike many other companies which

strategic planning.

financing). The analysis is

Practitioners is also working or

evesight of 450 VDU orgraters

employed at the Post Office.

Their eyes will be tested at

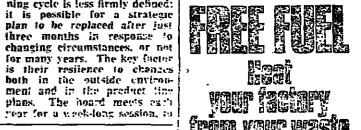
intervals by a carefully stand-

you could have a problem.

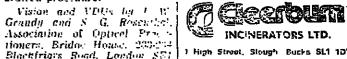
ardised procedure.

At F & S. operational plans are reviewed every month, and product line plans every quarter (with a revision 2! least every two years). The strategic planning cycle is less firmly defined: it is possible for a strategic plan to be replaced after just three months in response to changing circumstances, or not for many years. The key factor is their resilience to changes

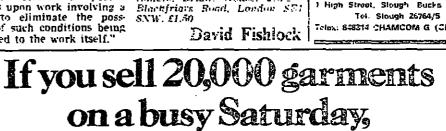
even down at the operational devel deviations from plan are only observed when they actually ન્ટ્ટ**યા**??લ્લે Honge the need for "early warning systems" of the type and S is introducing. It is also about to extend the warning period further, and to broaden its scope, by improving the monitoring of "weak signals" from outside. This should help to detect threats or opportunities which would otherwise be missed amid the general "noise" of news and information. Sources will include the media, trade associations, official statistics and personal contacts. At present the emphasis is on sensitising senior managers to the need for collecting such sionals, and on controlly pooling and assessing them. computer-sided system planned for the future.



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spectacles specifically

con-VDU tinuous viewing of a VDU screen, operators should be able to vary the VDU work they are doing, throughout the day, to

opticions have concluded after extensive studies of their own, and on behalf of employers and unions. But they say that existing eye conditions may require

They also recommend that when the job requires con-

scribed for using the VDU.

or two, to allow for tiredness person from using one during the first one to three months of training. The latest findings of the

opticians are summarised in a report from the Association of Optical Practitioners, representing the majority of qualified testers of eyesight. Its authors. Rosenthal and John Grundy, members of the association, are consultants to both unions and management on the visual effects of working with VDUs, which became a topic of considerable dispute in the late 1970s. They say they have found no evidence to suggest that VDUs cause damage to the eyes or aggravate any deterioration in the operators'

The authors quote studies by other British government "watchdog" bodies on health showing that radiation from VDUs "cannot cause physical injury either to the skin or the eyes of people working with them." Emission levels for VDUs available in the UK are "well below the maximum allowable levels," they say. allowable levels." they say, ination for prospective VDU They also assert that there is operators by an opthalmic no truth in the warning that practitioner. In some cases of

tiredness." And they advise should work on VDUs. Neither short rest periods, every hour does colour blindness prevent a

On this point the National

Radiological Protection Board-

the severnment's watchdog on public exposure to all kinds of radiation-is currently making a national survey of VDUs for Health and Safety Executive. In principle, VDU screens emit a wide spectrum of radiation—infra-red, ultraviolet, microwaves, even X-rays -as well as visible light. But in practice the radiation levels the potentially damaging rays are so low that researchers have great difficulty in measuring them at all.

Sam Rosenthal and John Grundy give detailed advice on the way to adapt working conditions for the greatest comfort to operators. This includes matching the viewing distance to the age, characteristics and adjusting lighting levels to avoid glare.

They warn employers that visual defects is not an adequate substitute for a full eye exam-

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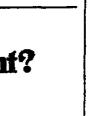
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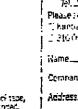
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How to teach manufacturing

BY DAVID FISHLOCK

YOU DON'T expect to find an engineering appointments in Britain. Even those with consultancies for industry do notor cannot—normally venture beyond the front office.

Sir Monty Finniston has inspected the ruins of British manufacturing industry with masterly skill, and declared the

Experience

This is the idea of the "teaching company." analogous the teaching hospitals for which British medicine is famous, where student doctors learn their skills in real life-and-death situations. To quote Mr. Theo Williamson, the former director of research at Molins, who first brought the idea to the attention of a wide audience, the teaching company should be the equivalent f a teaching hospital. where experienced practitioners, researchers and students intermingle and cross-fertilise ideas."

Williamson wanted the up a teaching company from scratch; a manufacturing com-pany "seething with creativity," lesigning, making and marketing real products, using the most ingenious technology and the most astute management The council concluded that this was too amget going; could even alienate private-sector sympathies from the outset if it were seen as a state-owned rival to its own

The teaching company scheme was launched by the council in 1975, as a joint venture with the professional mechanical the Department of Industry. They allocated a modest £2m covering the first five or six years. They recruited a lively director in Dr. John Wallace whose experience included top engineering management in the

Indicates programmes

6.40-7.55 am Open University

For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One.

L45 Trumpton. 2.00 You and Me.

in black and white

BBC 1

As far as it goes, the teaching archaelogist digging in his own company scheme seems to have been a resounding success. consultant engineer said to me began modestly enough, with a the other day. He alleged that handful of carefully chosen it's the cellar where you will companies in long-established find most of the 5,000 dons with activities working closely with a university department of production engineering. The university provided graduate engineers to work on specific in-dustrial problems. These took them right into the ruins, for the problems chosen all involved substantial investment decisions and the re-organisation of manufacturing methods need for emergency action in tion of manufacturing methods many directions. One course has and control. GEC Switchgear, a distinctly medical flavour in for instance, wanted to re-plan mentioning it he even talks of production involving 1,500 the "internship" of young engineers in industry.

Some of the early teaching company schemes brought experience of some pretty gloomy examples of out-of-date Nevertheless manufacturing. the industrial participants themselves were probably drawn from the most enlightened quarter of manufacturing indus-try in Britain. The latest projects bring in aerospace and nuclear manufacture, right at the top end of quality in the finished product.

Reactionary

The dilemma for the scheme's founders is how far and how fast to go in pushing deeper into the ruins. . Cash is a prob-Williamson wanted the lem; but so is the risks of Science Research Council to set expanding a small secretariat which until now has been able to nurse each project individually. It has already dishow vulnerable a project becomes if the company's "project champion" changes his job. It is not unreasonable to expect that projects will demand still more bitious, would take too long to nursing as the scheme tries to penetrate the less receptive

kinds of management. There is no simple answer. But a resolution will not be helped by some of the reactionary public statements of both university teachers and engineers, expressing a comthe light of Sir Monty Finni-ston's findings. The Science Research Council should be its initiatives in helping to train engineers.

8.10 Decision. 9.00 News. 9.25 Flesh and Blood.

(Ultra high frequency only), 9.35 lion. 4.40 Crystal Tipps. 4.45-5.10 Bobol Bach. 5.55-6.20 Wales To-2.14 For Schools, Colleges. 3.25 day, 6.50 Heddiw. 7.10 Pobol y Dechrau Siarad. 3.53 Regional cwm. 7.40-8.10 A Question of News for England (except Sport. 12.07 am News and London). 3.55 Play School (as BBC2 11.00 am). 4.20 Yogi Bear. Scotland—10.38-10.58 am For

South East only). Write Away. 11.35 News and 6.20 Vationwide. Weather for Scotland. 6.50 Robbie (London and Northern Ireland—10.38-10.58)

South East only). am For Schools (Ulster in 7.20 The Variety Club Awards. Focus). 3.53-3.55 Northern Ire-

12.07 am Weather / Regional All Regions as BBC1 except as

4.25 Jackanory, 4.49 Wildlife on Schools, 12,40-12,45 pm The Scot-One, 5.10 John Craven's News-round, 5.15 Grange Hill. Scotland, 6.50-7.20 Sing Along 5.40 News. with Sunshine 19.15 Current 5.55 Nationwide (London and Account 19.45 Can Sec. 11.20.

7.20 As I Roved Out. 10.15 Spotlight on Northern Ireland Affairs. 10.45 Blue Moon. 11.35 News and 10.15 Blue Moon. 11.15 News Headlines. Weather for Northern Ireland. England—5.55-6.20 pm Look East (Norwich); Look North 11.17 Question Time. (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South To-

Wales-10.38-10.58 am I Ysgo-

F.T. CROSSWORD PUZZLE No. 4,192

ACROSS 1 Take out a policy since 6 Like to take set advantage destiny comes with certainty

10 Early start incumbent on builder (7) 11 Promised one a musical treat at Christmas (7)

12 Doctor Amin retreated in a manner of speaking (5)
13 Two Poles embrace second

15 Bob major needs sailor's 17 Contemptuous Scots leader watch (5, 5) 16 Eyesore discovered during last vear (4)

18 English novelist inspiring confidence (4), 20 Tense one on completion

Madras (8) 24 Tries madly to arrange

27 Whistler in East Riding re-28 Unconcerned to take responsibility for cut (4, 8)

2 Watch ruler hunting (7) 3 Last month one friend reached final (8)

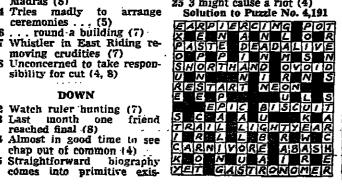
4 Almost in good time to see

tence (6. 4) 7 Obvious one would enter

8 Irrelevant to get near foreign currency (6, 3, 4) 9 Have a go and break person's limb (6, 4, 3) 14 Old Bob just rings the number of part of London (5. 5)

getting grain saturated we 19 Art of government singularly prudent (7) 21 Feeing very deeply in future

for instance (7) (10) 23 Cancel yearly article coming 22 Ducks left twice in ruins of out (5) 25 3 might cause a riot (4)



Rivals line up for great disc race somewhat

EVERYWHERE. suddenly, video discs are hitting the headlines. Three notable items of news have stimulated this renewed interest—the announcement that one Japanese video disc system (that of Matsushita) was being

dropped in favour of another (developed by JVC); the news that in the U.S., an old rival to RCA—CBS—were planning to press video discs for the RCA SelectaVision system; and the earlier surprise that IBM were entering the battle by adopting the Philips video disc system, which remains the only one so far available to the public (solely in the U.S.). With the flood of news and

popular media interest has come a new wave of misinformation and an even greater sense of confusion as to where it will all end. Last week BBC's Tomorrow's World programme referred to the price of Philips' video discs (when they arrive in Britain next year) as about £2; they will in fact range from £10 upwards depending on the programme. The Matsushita and JVC announcement listed only three publicly announced video disc systems as now remaining in the battle—those of Philips. RCA and JVC/Matsushita missing out that of the French group Thomson-CSF, which stands alone with Philips in

ment being the biggest the com-pany has ever made in any new consumer product).

which company's system will win-and will all of the others lose? The systems of Philips, Thomson, RCA and Matsushita are all technically incompatible, although there are many similarities between the first two and some between the second two (probably all too great to allow standardisation). Three issues will decide which wins or loses: technical superiority, marketing strength, and programming (viz. software)

so the life of a disc could be infinite; instant access (within including stereo sound; no spe-cial protection needed for discs, which can be handled normally;

year and reports of problems mechanical tracking, it uses an are almost exclusively confined electrical serve system. In mark to the quality of the direction o RCA's annual results (its invest- in two U.S. cities for about a The questions now surroundare manufactured there by ing the video disc is simple: Philips' U.S. partner MCA, which company's system will using a system different from

the one Philips will use in the performance and quality of Europe, a point over which VHD is still largely unknown there seems to be well-concealed feelings between the two com- rarely.

anies. Thomson have many of the Against this, RCA's system characteristics of the Philips

On technical grounds, Philips has many shortcomings. The system, but their disc is flexible have demonstrated that with intial players, due to be mar and transparent and is normally the video disc they really are keted in 1981, will have no contained in a caddy. "simply years ahead." Their stereo sound capability. The laser-based optical principle electro-capacitance principle of enjoys numerous technical the system relies on mechanical advantages: no physical contact tracking with a pick-up, so that between pick-up head and disc, some disc wear is inevitable. some disc wear is inevitable. Although the discs can "recover" from fingerprint markings and micro seconds) to any point on the like, they are permanently the disc; excellent picture held in a rigid caddy—which quality to broadcast standards they only leave when the packtain ridigity in the disc). There freeze frame, slow motion, fast is no freeze frame, slow or motion, repeat motion; elec-repeat motion on the RCA sys-

are almost exclusively confined electrical servo system (as does to the quality of the discs, which Philips) so that wear on the are manufactured there by disc is reduced. It is claimed that the JVC VHD system will have single frame facilities. But

because it has been seen only

FILM AND VIDEO

BY JOHN CHITTOCK

age is inserted into the player (this caddy is necessary to main-

First their player, because it is much simpler, will probably be under two-thirds the price of the Philips player (which cur-rently sells in the U.S. under the Magnavox brand name at \$775—a price rumoured to be subsidised). Second, RCA have a very strong retail network in the all important U.S. market. Third, their player is smaller and lighter than the

In marketing terms, JVC have all the advantages which nowadays seem synonymous with Japanese industry—central to which is the relationship they can command through other Japanese companies and even some U.S. outlets. Yet these advantages have been challenged by the decision of Sony to standardise on a video disc system which is compatible

with the Philips one, and by the further tie-up Pioneer who are already manufacturing an industrial version of the Philips system (through a licensing agreement with Philips' U.S. partner, MCA). Pioneer are also system, but their disc is flexible and transparent and is normally contained in a caddy.

RCA's strength comes with a number of marketing factors.

Right their player because it is remain compatible.

Add to this Philips/Sony/ Pioneer/MCA equation the name of IBM—who bave joined forces with MCA in their U.S. video disc operations—and the Philips standard does look very formidable.

The watershed for the Philips camp may come, however, with programming. The material currently offered in the U.S. by MCA (who own Universal Pic-

assess the respective merits of sion screen; and proven technithe rivals in a battle which cal reliability of the player. It is proven the player and not a product the possibility that on programme companies to excluded the possibility that on programme companies to exclude the possibility of the player and not a product that Philips are relying to prove the player and not a product that Philips are relying to prove the player and not a product that Philips are relying to prove the player and not a product that possibility that on programme companies to exclude the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and not a product the possibility that on programme companies to prove the player and prove the player and not a product the possibility that on programme companies to prove the player and prove the player and prove the player and prove the player and player and player and player and p not planning to prime the pump with an initial library of their own, such as RCA are doing This is serious enough because without the right programmes,

who will want to buy the player? Even more serious is the unimaginative approach to programming which has been dis-played by all the video disc player companies. The stand-ard fare is popular movies with ard fare is popular movies with a few hobbies thrown in. Yet the huge promise of the video disc, especially when using single frame and slow motion facilities, is its potential as a totally new medium. The early cinema ploneers found that the filming of stage plays was not good enough; broadcast television quickly recognised the need to develop a language different from the cinema.

Some lateral thinking is now required from the video disc industry. They are not selling a new piece of technology but a new mode of communication. as flexible as Gutenberg's concept of movable type, as socially important as Eisenstein's ideas of the cinema, and as influen-tial as broadcasting.

Perhaps the video disc companies which exploit this philosophy quickly enough will actually having delivered players which are in use (on industrial trials).

Much vital information is also

By the complete production of which December was claimed by one being overlooked in attempts to

CLASSIC 1. 2. 3, Haymarket Pickality Chain Tuber 3: 839 1327 1: APOCALYPSE NOW (3), A 70 mm Deby Signo protestation Prots, 1:30.

Delby Sterro pre-ceitain Prov. 1-30. 4-30, 7-40 - DAYS' THE RUMAN FACTOR (AA), Prost. 2-00 - 4-5-7-30. 2 SUNBURN (A) Prus. 12-50 (co. 5-10, 1-30) (co.

Staple Diet for Smith-Eccles

STEPHEN SMITH-ECCLES. who would probably now be on really well until lack of peak of Mr. Sangster and top weight the heels of Jonjo O'Neill in fitness told against him in a the Vernous pools boss has sold the Championship race but for an injury which kept him out of action for much of last month, looks to be the man to follow at Leicester today.

popular young rider, The st haul came two seasons back when he rode 51

RACING

BY DOMINIC WIGAN

winners, could pass that tally on the Midlands track today, to get off the mark in today's first jockey. through Staple Diet, Miss modest company. I take the LEI placency that is astounding in through Staple Diet, Miss Melita, and Plastic Cup. My idea of the best betting medium from this trio is the given every encouragement for bay gelding Staple Diet. This the chief expense of the Roberthorse was making only his Sangster-owned second appearance over the Broken Country.

land News. 5.55 Scene Around Six. 6.20 Land 'n' Larder. 6.50-

day (Southampton): Spotlight South West (Plymouth). 6.58-7,20

East (Norwich) In a Country

Churchyard; Midlands (Birming-

(Leeds) Lifelines; North East (Newcastle) Heroes; North West

(Manchester) A Grand Sing,

South (Southampton) Hey Look That's Me!; South West (Plymouth) Over to You; West

BBC 2

10.05 am Company Pensions-Who Cares? 11.00 Play School.

(Bristol) Day Out.

11.25 Write Away.

2.30 pm Dilemmas. *3.00 Illusions of Reality. 3.30 The Living City. +5.40 Laurel and Hardy in "Me

10.45 Newsnight.

11.40 It's A Great Life.

and My Pal."

6.00 The Waltons. 6.45 The World About Us.

7.30 Mid-Evening News. 7.40 Cricket: Australia England (highlights).

8.10 Company and Co. 9.00 Movie Showcase: "The Getting of Wisdom."

10.40 Animated Conversations.

11.30 Darts: Embassy World Professional Darts Cham-

LONDON

9.30 am Schools Programmes. 12.00 Paperplay. 12.10 pm Pip-kins. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames

News. 1.30 Airport Chaplain. 2.00

1063kHz/285m 1089kHz/275m

2 693kHz/433m 909kHz/330m & 88-91vfif stereo

Radio Wavelengths

4 200kHz/1500m & 92.5vhf

After Noon Plus. 2.45 Wilde
Alliance. 3.45 Three Little
1.20 pm Report West Headlines. 3.45
Words. 4.15 Get It Together. 4.45 The Entertainers. 5.16 Magilla Gorilla.

Hear!

division of Sandown's Waterloo Novices Hurdle last November. Monteverdi, destined to stand Staple Diet has had just one outing since that run. Four weeks ago he ran a similar sort of race in a division of Ascot's

able handler Nicky Henderson would not have sent the sevenyear-old to compete in competitive events at those illustrious courses were he not confident of a good showing. I shall be disappointed if this horse fails Henderson seven-year-old to land the opening division of The Oadby Novices Hurdle at top weight

Magnie, 5.15 Emmerdale Farm.

5:45 News. 6.00 Thames News. 6.25 Help!

6.35 Crossroads. 7.00 Charlie's Angels.

8.30 Robin's Nest.

9.00 Hollywood.

10.30 " Wait

8.00 Armchair Thriller.

Until

starring Audrey Hepburn.

12.25 am Close: Robert Rietty

except at the following times:

ANGLIA

1.25 pm Anglia News. 5.00 About Anglia. 7.00 Bygones. 7.30 Selwyn. 10.30 Tuseday Leta Film; "The Virginia Hill Story," sterring Dyan Cannon. 11.50 A Big Country. 12.20 am Seen God Lately?.

ATV
12.30 pm George Hamilton IV. 1.20
ATV Newadesk. 5.15 Circus. 6.00
ATV Today. 7.00 Emmerdale Farm.
7.30 England Their England. 10.30 ATV
Newadesk. 10.35 The Tuesday Movie:
"Innocent Bystanders." starring
Stanley Baker.

BORDER

1.20 pm Border News. 5.15 Father Dear Father. 6.00 Lookeround Tuss-day. 7.00 Emmerdale Farm. 7.30 Survival. 11.30 Luke's Kingdom. 12.30 am Border News Summery.

CHANNEL

1.20 pm Channel Lunchtime News.
What's On Where and Weather. 5.15
Boiley's Bird. 6.00 Report at Six. 10.28
Channel Late News. 10.22 TV Movie:
"Doctor Scorpion." 12.10 am Commentaires at Previsions Meteorologicus.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 6.00 North Tonight and Area Westher Forecast. 7.00 The Love Bost. 10.30 Country Focus. 11.00 Reflections. 11.05 The Tuesday Thriller: "Get Christie Love!" 12.15 am North Late Night Headlines.

GRANADA

1.20 pm Granda Reports. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdals Ferm. 7.00 A Man Called Sloans. 10.30 Film of the Week: Peter Finch and Michael York in "England Made Me."

BBC Radio London: 1458kHz, 206m & 94.9virt

Capital Radio: 1548kHz, 194m & 95.8vM

London Broadcasting: 1151kHz, 261m & 97.3vhf

Dark '

Warnerton Farm. Lexington. Kentucky. While Robert Sangster has Silver Doctor Novices Hurdle, won by Swashbuckling. been rearranging his bloodstock empire several leading Flat in the belief that Staple Diet's jockeys have been doing like-

Incidentally, on the subject

an interest in the unbeater

alongside Alleged at Walmac

wise over their commitments for the coming season. Paul Cook, so successful last seaon on Michael Stoute-trained · OII horses in particular, switches to Harry Thomson Jones for whom he will be retained as LEICESTER

1.30—Staple Diet***
2.00—Great Things 2.30-Miss Melita*

3.00—Open Fire 3.30—Plastic Cup** 4.00—Sea Captain

5.20 Crossroads. 6.00 Report West. 6.30 Best in the West. 7.00 The Incredible Holls. 10.25 The Big Picture: Nobody Runs For Ever," starring Rod Taylor. Christopher Plummer and Lills

Pelmer.
HTV Cymru/Wales—As HTV West/
HTV General Service except: 19.15-10.31
am May Neu Lai. 1.20 par Penawdau
Newyddian Y Dydd. 1.25-1.30 Report
Wales Headlines. 4.15-4.49 Shardun. 6.30 Y Dydd. 6.15 Report Wales. 6.30-7.00 Quest of Eagles. 10.35 Byuyd 11.20 World in Action. 11.50-12.20 am Father, Dear Father.

reads from Nahman of
Bratslav.

All IBA Regions as London
1.20 pm News and Road and Weather.
1.30 how's Your Father? 5.15 Teatime
Tales. 5.20 Crossroads. 6.00 Scotland
Today 8.30 What's Your Problem? 70.30 Late Call. 10:35 Midweek Movie: " Bye Bye Braverman," sterring George Segal.

SOUTHERN 1.20 pm Southern News. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day 8y Day. 7.00 Emmerdale Farm. 7.30 Father, Dear, Father. 10.30 Southern News Extra. 10.35 "The Man Who Had Power Over Women."

TYNE TEES

9.20 am The Good Word, followed by
North East News Headlines. 1.20 pm
North East News and Looksround. 5.15
Salwyn. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern
Lite, 7.00 Emmerdale Farm. 7.20 Survival. 10.30 North East News Headlines.
10.35 Come In, If You Can Get In. 11.05
Tuesday Movie: "Ghost Story." 12.30
am Epilogus.

ULSTER 1.20 pm Lunchime. 4.13 Ulster News Headlines. 5.15 Cartoon Tima. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Ferm. 7.30 A Drop in Your Hand. 10.29 Ulster Weather. 10.30 Feature Film; "England Made Me." starring Peter Finch. 12.20 am Bedtime.

WESTWARD 1.20 pm Westward News Headlines.
5.12 Gus Honsybun's Birthdaya. 5.15
Bailey's Bird. 6.00 Westward Diary.
10.32 Westward Late News. 10.35
TV Movie: "Dr. Scorpion." 12.10 am
Faith For Life. 12.15 West Country
Weather and Shipping Forecast.

YORKSHIRE 1.20 pm Calendar News. 3.45
Calendar Tuesday. 5.75 Selwyn. 6.00
Calendar (Emiey Moor and Belmant
editions), 7.00 Emmerdale Farm...7.30
Survival. 10.30 The Big Picture: "Ash
Wednesday," starring Elizabeth Taylor.
12.15 am George Hamilton IV.

London Broadcasting 6.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm After Eight Special: Nucl. Peters reports an the Police. 9.00 Janny Lacey—Nightlina. 12.00 LBC Reports Midnight. 1.00 am Tara Jefferies—Night Extra. 5.00 Morning Music.

ENTERTAINMENT GUIDE

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THE WOYALL OPERA. TON. 6. 82. 700.

THE WOYALL OPERA. TON. 6. 82. 700.

THE WOYALL STATE OF THE CONTROL OF THE CONTROL OF THE SECRET OF THE CONTROL PROPERTY. Fr. 5 Mon. 7.30. Posts Schumann Plecess A Month in the Country Stite Synchronizations. 65 Amphilosophic Country Stite Synchronizations. on Gay of perf.

ADLER'S WELLS THEATRE Rosebery
Ave., E.C.1. 837 1672. Credit Cards
837 3856. 10-6 p.m. Until Feb. 16.
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Mat Sat 2.30. Tomosh, Tomor & Wed:
The Mikado. Thurs, Fri. & Sat. The
Sorcere.

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DAVID BURKE. ANGELA DOWN IN
BODIES by James Samplers. Last weeks
—must end March 1st. — must eno marth 18.
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Group sales 378 6061, Eves. 8, Mat Thur 5. Sat. 5.30 & 8,50 TIMOTHY WEST as BEECHAM by Caryl Brahms and Ned Sherrin. Directed by Patrick Garland. ARTS THEATRE 01-836 2132. TOM STOPPARD'S DIRTY LINEN, Monday to Thursday 8.30. Friday and Saburday 7.00 and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seab in London. EA.00, £3.35. £1.65. plus 15p temp. members. \$21. £4.85. £3.85. £1.85.

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aightly Mon.-Sat. 3.00 and 10.00 pm.

CAMBRIDGE. 01-836 6095. Credit cards accepted 01-836 7040. Mon. to Fri. 8.00. There is a control of the first state of the firs 2381.

CRITERION. 930 3218. CC bookings 379 6565. Group sales 379 6061. Evs. 8.00. Sats. 6.30 and 8.30. Thurs. mat. 3.00. HALF PRICE PERFS. Mon. Evs. Thur. Mat. NEIL SIMON'S LAST OF THE RED HOT LOVERS. Lee Montague. Georgina Hale. Bridget Turner and Susse Engel. DUKE OF YORK'S. 636 5122. GLENDA JACKSON. ROSE. Red. price Press. from Feb. 20. Opens Feb. 28.

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Williams.

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WER MALESTY'S THEATRE. 930 6606.

OF BLOOD by Paul Giovanni. LAST A WEEKS. ENDS MARCH 1.

HER MAJESTY'S THEATRE. 930 6508.

OBENING MARCH 10. The AWAY WINTHER STORY MARCH 10.

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LYEIC STORY DOWN STORY DEVICE STORY HOLD CONTRY LIFE. FITS London showing of Goldington the CHIRT SIMPLE CAN DEVICE STORY WITH SIMPLE CAN DEVICE STORY D SPREAD. COMEDY OF THE WEST END THEATRE AWARDS. WEST END THEATRE AWARDS.

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Tonight at 8.00. Opens Tomor, at 7.00.
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Simon Benmussy after Heary James.
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OLIVIER (open Stage): Tom't. 7.30
RICHARD III by Shakespeare. Tomor.
7,30 Ambdens.

OLIVIER (open stage): Ton't. 7.30 RICHARD III by Shakespeare. Tomor. 7.30 Amedium.
1.7181-100 (proscentum stage): (low price preva). Ton't. Tomor. 7.45 THEE AND ME a new olay by Philip Martin. COTTESLOE (small augitorum—all tics. 22.50. Student Standby E1.20): Eugene O'Neill Season: Ton't. 8 THE LONG O'Neill Season: Ton't. 8 THE LONG O'Neill Season: Ton't. 8 Hospite. Legister these Seasons from 10 am day to the company of OLD VIC. 928 7615. Le Group Tso pre-seats PEINES DE COEUR D'UNE CHATTE ANGLAISE (Heartache d'an English Pusyscar). Evenings 7.30. Thurs. and Set. Matiness 2.30.

Matiness 2.30.

OLD VIC. 928 1616. Abovy Theatre Company presents Cyrll Cosack in A LIFE by Hugh Leonard, 19thor of "Da." Fab. 4-15. two weeks only at 7.30 pm. Sponsored by Korrygold and B & I Line and prescribed as 2art of "A Sense of Ireland" (London Festival of Arts). PALACE. CC. 01-37 8834. Mon.-Thurs. 8.00 Fml. Sal. 5.00 and 8.40. JESUS CHRNST SUPPRESTAR by Tim Rice and Active Lioyd-Webber. Group sales 01-373 5061 or Freephone 2381.

THEATRES Evening Standard Drama Award.

PICCADILLY. From 9.00 am. 437 4506.

CC. btgs. 636 1071. Evp. 3.00 Thurs.
5.00 and 8.00. Set 5.30 and 8.30.

PETER BARKWORTH. MANNAH
GORDON BESTAN CIET'S new play
CAN YOU BESTAN CIET'S NEW BACK!

LAST 2 WEEKS ENDS 16 FEB.

PICCADILLY. From 20 Feb. Reyal Shakespeare Company in Hart and Kaufman
smash bit comedy ONCE IN a LIFETIME.
Winner of 5 awards with, from 14 March
Jane Lapotoire, winner of 3 awards as
Plat in Pam Gens PIAF.

PRINCE EDWARD. CC. 61.437 6A77 Plat in Pam Gents PIAF.

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1935. 8.00. Mats. Taur, and Sat. et 3.00.

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5.00 am Az Radio 2. 6.30 Rush Hour.
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Victor Pasmore by WILLIAM PACKER

The Arts Council's run- our general attitude towards very many that it puts together. central to it. and small, to the people: and long may the Council feel able their own documents, and ey are not always welcomed.

the receiving local audience;

it for all that, they chip

eadily away, after their modest

modern, major and minor, large the Graves Gallery in Sheffield heart of the business, drawing the small to the papels, and (until February 17—and then us in to consideration of the on to Dundee, Cardiff and Hull), search and the attempt rather to continue with it. The shows the paintings of Victor Pasmore than the final achievement. It hemselves too often pass in Bradford, at the Cartwright marked, recorded only Hall (until March 9—and on to Hall (until March 9-and on to Liverpool. Norwich. Leicester, et alone appreciated dutifully Royal Academy in London). Newcastle and at last to the And both are serious, comprehensive and yet far from exhaustive, and above all cise, shion, at the rock of blind- accessible, letting the work ss, indifference and prejudice speak quietly for itself, with all at stands, unfortunately, for its faults and virtues.

ovent Garden

Shirley Verrett

by MAX LOPPERT

fiss Verrett's voice sounded the house all evening. poor shape more or less owers, the dulled, furry tone, tation could be dimly perceived: he uncertain low and high notes in truth, though, mresonani). ransitions between registers; selection of lustre and disappointed air in properly measured.

The mezzo-soprano-as she foughout Sunday's recital, her still sounds, though a recent to the Royal Opera House. Transfer to the soprano category it was a considerable relief has been much advertised-belearn from her, in a little gan with three Pergolesi arias, mnouncement made just before each with assertive and colourhe second encore, that it had ful passages as well as uneasy meen in poor shape, a prey to ones. But there was then a far llergies. But why make the sterner test to be faced in the innouncement after the main form of the Frauenliebe und event? It was no pleasure to deben. Miss Verrett's courage rave spent two uncomfortable in perservering with Schumann's lours pondering the apparent long lines was to be saluted, and lecline of an admired singer's a direct, unsentimental interpresometimes clean and strong as phrase came out uncracked in emembered, sometimes weakly its centre. There was very the awkward little support here, or in the and while one is always glad to Chausson songs after the interhave gloomy diagnosis of this val, from Warren Wilson, a sind proved premature, it was pianist of debilitated rhythm. clear that the failure to request thin tone, and many wrong the tolerance of the audience at notes. A return visit by Miss suitable moment was Verrett is cordially urged: as a directly responsible for the lack-recitalist she has yet to be

Wigmore Hall

Marilyn Minns

by DAVID MURRAY

ight, pretty soprano has too Best of all were Ravel's Greek suggestive a colour to count as folkeones are allogather wina mere soubrette-voice, but in displaying an enviable ease in the high register and a pale, worryingly unsupported lower range. Her German lacked all conviction ther French in two Mozart songs was subfuse, too) —not mispronounced, just deenergised: she sang the sentiments, in effect, rather than the words, with clouded vowels and consonants that served only to defeat a true legato.

With "Die junge Nonne" ber address was suddenly much sharper. Taken unusually slowly but with a fine, threatening storm roaring from Nicholas Routley's pizno), the song almost a scena — was vividly shaped and correspondingly moving. Perhaps Miss Minns' bent is really for opera, one thought, but with her Strauss songs, of which "Freundliche Vision" at least requires inti-Vision" at least requires intimate emotional re-creation. we were back to tasteful vocalising. And then, after the interval, Debussy drew the artist out of hiding: if "Fantoches" tested her rapid articulation rather hard, the other Fétes galantes and the three Mallarmé songs came to idiomatic life, delivered as gracefully as her carlier music but far better thought through and communicated. Mr. Routley, an Warhol.

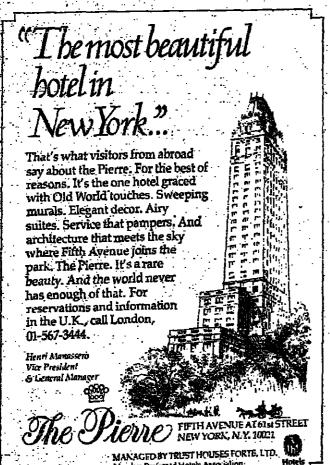
Miss Mims grew steadily admirably unshrinking accomnore interesting as her recital panist, made much of the n Saturday progressed. Her subtleties of the piano writing.

folksongs-an altogether winher opening Mozart group and ing performance. The words most of her Schubert she was would seem to matter least content to flute charmingly, there, but in fact Miss Minns used them to great effect; and the lower voice revealed more expressive substance, and she proved after all to command a lovely legato. She and Routley enjoyed themselves infectiously in Prokofiev's "Ugly Duckling," and "Seligkeit", her lilting Schubert encore, was roughly three times as persuasive as "Im Frühling" had been earlier. Perhaps her attractive stage presence had concealed preliminary nerves. In any case. the final impression left was of an individual musical personality in mid-flowering, to be watched with high hopes.

> Andy Warhol at Arts Council shop

Andy Warhol, the American artist, will be at the Arts Council Shop, 8, Long Acre, London, WC2, from 12.30—1.30 pm on Friday, February 8, to sign copies of his book Andy Warhol's Exposures (published by Hutchinson at £8.95).

The book, his first book of photographs, contains 500 illustrations of "the new elite" celebrities and friends at leisure, and a lengthy text by



ing exhibitions has always been that we should sustain a public and it seems to me most imamong the most useful of the very many that it must together policy of cultural broadcast, such portant that an undue deference exercises as these must remain should not be forced upon the innocent viewer. Not every Indeed in recent years, ever Two exhibitions that are work of art worth considering is since the V. and A.'s much entirely typical of it are to be necessarily a master-piece, and regretted withdrawal from the seen in Yorkshire, both of them an artist may be admirable field, it has taken on alone art retrospective studies of the without being great. The flawed of all kinds, ancient and work of single artists: the work the qualified failure the of all kinds, ancient and sculpture of Henri Laurens at limited success are at the very

> is indeed sometimes enough to have taken part. The Pasmore show makes the point very clear. Here is one of our senior artists, one of the few who enjoys an established international reputation, showing work which quite belies the nature of that reputation. He has always been generally admired as something of an aesthete, his most popular work considered to be exquisite in the delicacy and charm of the touch and judgment it exhibits. whether it might be an early lamp-lit nude or misty riverscape, or a late lyrical abstraction; and what we see here is work which, from first to last, is characterised by awkwardness and infelicity in drawing and handling. He would seem to have suffered in fact, if to be from an admiration that is quite misapplied: which is not at all to say that his work is un-

that he has been celebrated for

a touch he never possessed. for

For Art is mysterious enough are, are the keys to an under-other end of the room. The ning programme of small tour- the visual arts. If it is right without gratuitous mystification, standing of his work, not his girl's holster in The Studio of successes; and there is no Ingres (1945-47) prefigures the disgrace in that.

> associated in the late thirties unresolved in themselves, are figurative artists, and his first and understandable success was soft edges and rich, pink flesh, followed by a series of seductively atmospheric landscapes, And then suddenly, in the later apparent defection still remembered as a minor crisis in domestic art history.

The consequence was that the quality and nature of what had gone before were alike mis-taken, its physical beauty. The later work is in nanone exaggerated, its essential preoccupations misunderstood. And suggestive quality, those early virtues have been discerned and their return applauded.

But there was no betrayal, no apostasy. The value of this little exhibition, though it is hung chronologically, is that it is the years; and though the successful can ever be to suffer, superficial differences in the works remain obvious, the essential coherency is emphati-cally demonstrated. The desworthy, unserious or uninterest- cending sequence of orbs. ing. It is rather to say simply example, that are the heads of (1946), relates directly and

whorls of the Spiral Spowstorm What happened is perfectly (1950-51), and her arms and simple. Pasmore had been crossed legs, so awkward and with the Euston Road school of yet clear indications of Pasmore's enduring concern with the diagrammatic, linear deswith the work that came out of cription of pictorial space, it, a romantic naturalism, all which continues through the landscapes, and the constructions, and the architectural projects of his middle years, to the biological diagrams that lie forties, to howls of popular behind so much of the later dismay, he Went Abstract, his work. The landscapes become the collages of the early fifties. which in their turn become the relief constructions of the fifties and early sixties. The work may change, but the

The later work is in general the weaker, grown slacker, more self-conscious, and exhibiting a in the last decade and a half, curiously insensitive tasteful-when the abstract imagery has ness, full of injudicious transitaken on an openly lyrical and tions, from board to fabric to paint, and weak drawing. The line is less confident, scratchy rather than incisive, and the imagery is decoratively repetiin 1966, for since then his work Many of these faults were always there, but checked by a dogged mental engagement that have



Victor Pasmore with one of his

Barnet Rubbra's Fourth Quartet

by ANDREW CLEMENTS

Rubbra's music, both in the concert ball and on record, has become the source of much calculated outrage. Extravagant claims for his significance are inflated by prolonged frustration and no doubt devotees would find further fuel for their protestations in his fourth string quartet. Privately commissioned and first performed in 1977 at the Oxford Festival it has only now reached London, and that not in a well publicised event on the South Bank but in a concert at Barnet College last Saturday evening given by the Amici Quartet, All credit to the organisers for securing such a substantial première. But Rubbra's music has remained defiantly so non-developing that the emotional territory and language of the new quartet seemed quite familiar. However, the fourth quartet

does break with the tradition of its predecessors in its overall shape: a classical four-movement plan is replaced by a pair of predominantly slow movements, the first sub-dividing to

of Edmund an elegy — it is dedicated to the both in the memory of a young American fan of Rubbra's music - and the culmination of the work is the short final Adagio with brief, intense climax and gently unwinding coda.

Rubbra's thought is essentially chordal, and the surface features of his music merely variegation; apparent changes of tempo and character arise from sub-divisions of the basic pulse rather than from a faster harmonic rhythm. In the fourth quartet interest is sustained by rhythmic elaboration and by the considerable independence of the four string parts. Melodic ideas are very much subsidiary: a folksy tune appears almost by accident towards the end of the first section, and the scherzo theme is given a bounding pizzicato accompaniment, but elsewhere precious little would reward a casual listener. Admirers would not have it otherwise, but this lack of conspicuous virtues in favour of remain the severest obstacle to end in an unconsummated Rubbra's greater appreciation scherzo. The work is intended as and recognition.

1980 Shell music scholarship

Symphony Orchestra have an-final on Friday nounced the fourth national final next day. competition for young instrumentalists in the UK. This year's competition will be for timpani and percussion and it is believed it will be the first of its kind in this country.

Candidates will be required to play a wide range of excerpts of the winner's development from the symphonic repertoire, and an important new work tuition, or the purchase of in-commissioned by Shell UK from struments. It is intended to Andrzej Panulnik.

will take the form of a four-day at an appropriate level. He, or workshop from Monday, July 21 she, will also receive a cash to Thursday July 24, from which award of £100 and the Shell-LSO a number of players will be Gold Medal. a number of players will be

Shell U.K. and the London selected to take part in the semi final on Friday, July 25, and the

> The whole scholarship will be staged in London at the Henry Wood Hall, Trinity Church Square, Southwark, London,

The first prize of £3,000 is to be spent in the best interests for example, on advanced facilitate the entry of the win-The 1980 Music Scholarship ner into the musical profession she, will also receive a cash

Première of David Bintley's

new ballet

Ballet. Homage to Chopie, has is Andre Panutnik's Homage to its première at the Royal Chopin. Shakespeare Theatre, Stratfordupon-Avon, on Friday Febru- David

David Bintley's new plotless borated with Bintley on all his ballet for Sadler's Wells Royal previous ballets, and the music

The cast of seven includes Ashmole, Anya Evans, Judith Stanley, The ballet has been designed Rowann, Jennifer Mills, Nicola by Mike Becket, who has colla- Katrak and Janis Parsons.

Purcell Room

Young Musicians '80

by DOMINIC GILL

each January or February on horn. purpose of the concerts is to "concert promoters to future engagements." The GLAA itself plays the role of "showcase," not agency of the scheme encourages proto the Gi_AA for grants towards the artists' fees.

Last Sunday afternoon and evening, at two recitals in the Purcel! Room, we heard 11 of this year's 12 finalists (the organist has a recital elsewhere: - a saxophonist a violinist, two planists, three (b. 1951) is no stranger either tive. It may be no coincidence, singers, and string quartet. It that Pasmore moved to Malta, was a long day's music-making. And it was also once more a small enough nevertheless for has seemed increasingly out of remarkable achievement: prothe eye to jump directly across touch, and even anachronistic, grammes were so well varied. and standards so invigoratingly high, that in all of nearly five hours playing there was barely a di:ll five minutes.

stars of the event was entirely for much wider audiences, and very soon. The Irish planist the first British Liszt Piano Com. fine poise and concentration. petition: and the two Liszt pieces he offered in this pro- series, a new String Quartet gramme were splendid evidence called Endellion founded only of that jury's foresight — a B a year ago, was a category to minor Ballade of faultless con- itself—and a major find. They trol in every element, lyrical. textural, structural, a huge and stirring performance, massively contained: and a brilliant formance of major quality, account of the first Mephisto beautifully tuned and voiced. Waltz, full of noble poetry as finely detailed, keenly shaped four days after Kristin repertoire is as good as commended and fitz-which I reviewed william will soon have new. well as high excitement. Only If the rest of the Endellion's here last week), yet another substantial rivals in their wake. prodigious teenage pianistic talent to watch with lively Musicians made quite so strong

already a busy professional, and among them none the less. The known especially as the leader violinist Paul Barritt (b.1953) of the Myhra Saxophone Quarter, gave a robust, clean-cut account His playing on Sunday confirms of Brahms's Sonatonson; scherzo, that he is also one of the most and a spare, precisely-gauged accomplished "straight" saxo- reading of Webern's op. 7-a phonists of his generation. The warm and convincing presence. tonal range of the instrument Jane Roberson (b.1954) is a is effortlessly and powerfully quick and intelligent soprano of

Young Musicians Scheme amplified clarinet sonority, organised by the Greater through the creamier middle London Arts Association has registers, to the pure-brass tone, provided a concert platform cool and smooth, of a flugel

the South Bank for about a He had the confidence to dozen young arrists (age limit hegin his short programme with 26 for instrumentalists, 28 for a transcription for alto say of singers) selected at auditions Debussy's Syrinx for solo flute: the previous year. The main triumphant vindication of a bold risk, so sweetly (and, against all the odds, idiomatically) did the throughout London and else- performance sound. Mr. Harle where with the opportunity to gave the premiere too of a new hear these artists with a view solo work specially commis-The signed for the concert from Dominic Muldowney . . . "showcase," not agency— hall of mirrors . . . six minutes although an important feature from a looseleaf sketchbook of motifs and counter motifs, moters engaging Young Musi-attractively presented, and tied cians in the GLC area to apply with a thematic ribbon to boot: and an exuberantly persuasive account of a sonata for alto sax and piano by Paul Creston, whose name I hadn't heard before, but who could be an Anglicised third cousin of Rakhmaninov. The soprano Fiona Dobie

to British audiences; her contrilution was a welcome reminder of, rather than an introduction to, a fresh and attractive soprano voice, and a lively presence, that has already made its mark in recital in London and with the Glyndehourne touring company-should the GLAA None of the three brightest selection panel maybe conceatrate a little more closely on unknown — talent of such an those many young artists poised order would be difficult to hide; on the critical brink of a career. but each was clearly destined rather than on those who have decisively taken the plunge? But no matter: Miss Dobie's Barry Douglas (born 1960) is deft evocation of Monica's aria still 19, but he already has the from The Medium was a delight, maturity and command of an her Schubert firm and clear, artist twice that age. Four years and her Poulenc-the two Louis ago he won a special prize at Aragon settings-delivered with

The chamber ensemble of the played a single work. Debussy's quartet; and that alone, without prolude or warm-up, was a per-None of the remaining Young

an impression as these seven, John Harle (b. 1956) is but there were notable gifts

Since its debut in 1969, the exploited - from the coarser beguiling platform manners, just a shade too easily squeezed into recdiness in the upper registers, and for my taste a little too readily arch in her humour: but a valuable musician who will have much to offer as the voice matures.

The robust tenor of William Kendall (b.1951) seemed set a blast us from our seats with the vigour of his delivery of the Cuius Animam Gemtenem from Rossini's Stabat Mater. His "Bien aimée" of Lalo was vigorous, too, but more nicely scaled; and his Bach, Brahms and Britten were pleasing, wellformed. The only serious disappointment of the two recitals was the piano playing of Peter (b.1953)-whose Liszt (the Petrarch Sonnet 104) was wooden and technically awkward, and whose Beethoven and Prokofiev was dull and unevenly unimaginatively voiced. Even physically, the tense, jabbing stance at the instrument, a bundle of contradictions and conflicts, was fundamentally wrong.

The GLAA's scheme also embraces a Young Composer's prize in each programme, a pair of new works commissioned for, and performed by, Young Musicians of the previous year, Roger Redgate's (b.1958) sonala for flute and piano seemed to juxtapose and force into uneasy partnership two radically different kinds of music —a rather drily lytical. Boulezian "serial" manner with sequences of much broader and more colourful impressionist gesture; intriguing. unstable combination: interest ing idea.

George Nicholson's (b.1949) N'est ce-pas? for solo violin moved by stops and starts in short paragraphs of excitable and vividly constrasted material: but the mood was none the less cool, reflective, the tone-colours muted - a nice ambivalence, stimulating and disconcerting. Neat, apt works both, brief and to the point.

Paul Scofield as Othello

Othello, with Paul Scofield in the title role, will be staged by the National Theatre in March. Of the four great tragic roles in Shakespeare (Hamlet, Macbeth, Othello, and King Lear), Othello is the only one Mr. Scofield has not played nefore.

Michael Bryant is to appear as Iago, also for the first time. Othello opens on Thursday, March 20, in the Olivier

European Conference on Monopolies, Mergers and Restrictive Practices

MUNICH, FEBRUARY 28-29, 1980

New legislation is about to be adopted providing for stricter control of mergers and acquisitions and giving greater powers to anti-trust agencies to prevent abuse of market power by large companies and to screen restrictive agreements and practices.

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Tuesday February 5 1980

Money supply dilemmas

CONTROL of the money supply is commonly discussed by politicians as if it were purely question of doctrine, backed might have been designed to change sharply in capital value show that it can also pose when the rate of interest technical problems so and the control of th technical problems so acute as to risk undermining the policy itself. The large inflows across the exchanges last month illustrate one side of the difficulty of achieving a good deed in a naughty world. The extraordinary gyrations of both long and short term interest rates in the last few days illustrate the other: the danger that actions designed to stabilise the economy will in the short term destabilise it.

The rise of £435m in the reserves is not, it is true, due entirely to foreign inflows; perhaps only about half of it is due to this cause. However, although the arthorities have been willing to let the exchange rate rise, it is clear that in present circumstances there is a tendency for a series of smoothing " interventions in the exchange markets to add up to a fairly consistent one-way

Admitted demand

Of course, tightness in the UK money market is only one of the attractions for foreign There now appears to be a significant and admitted demand from foreign central banks for enhanced sterling reserves; we, like the Germans, appear to be meeting this demand, albeit reluctantly. So far as this is the cause, an increase in counterpart UK reserves of foreign currency is natural, and has no disturbing monetary implications apart from the general worries which must arise from an excessive growth of world reserves.

A second cause of inflows is speculative foreign demand for UK Government stock. This has no impact on the money supply, but does imply a poten- across the whole market specif and when monetary restraint achieves its objectives. It seems extraordinary that even now there seems to be no proposal to make UK stocks somewhatless attractive to foreign

Finally, however, we come to the self-imposed problems which in this country, though some claimed for the existing system changes are promised for the either; and when unstable rates near future. These arise from are combined with fitful control, the fact that sales of long-term reform is overdue.

Government securities (including National Savings instruments) are almost the sole controlling

up or down, such markets are by nature tidal, with sales peaking when the return on Government stock itself seems near a peak, and failing to a trickle between times. Any residual Government borrowing from the banking system adds to banking reserves, and has a potential geared-up effect on monetary

Works both ways

This geared-up response works both ways, as has been demonstrated in recent days. when its own accounts are in substantial funding at a time when it own accounts are in balance or in surplus, the squeeze feeds directly through to bank reserves. This leads to turmoil in the money markets, no doubt attracting overseas funds; it also gives rise, under corset regulaour present tions, to all sorts of other strange distortions, which may well be reflected in the banking figures this week. Not the least of them is the spectacle of a central bank struggling simultaneously to check monetary growth and to prevent a still further rise in short-term in-

These - events' suggest their own cure: a system of monetary control which does not rely so heavily on the sale of stocks in which there is a heavily speculative market, and which does not therefore need the support of a distorting "corset"

Cire themselves

These are presumably the aims of the monetary reform proposals which are shortly to be unveiled. If, among other results, they enable the authorities to mop up excess liquidity tial free gift to foreign investors trum, instead of relying so heavily on the gilt-edged market, some of the other dilemmas may tend to cure themselves Some critics are now arguing system of control (which is not going to be proposed) would lead to unstable interest rates. We have now been reminded arise from the technical means if it were needed, that stability of monetary control still ruling is hardly a merit which can be

Denmark upsets its allies

DENMARK HAS been attracting more than its usual share of pean zone, thereby breaking the attention from the international unanimity over the nuclear financial community and Westwo months. This is due partly sought. The Social Democracy to growing realisation abroad then tabled a programme for "zero growth" in the defence "zero growth" in the defence in resolving the country's budget, ignoring the 1977 agree-economic difficulties. It also ment among the NATO coun-stems from the irritation Den- tries to aim at a 3 per cent mark's defence policies have allies. The question being asked is what exactly Prime Minister Anker Joergensen is up to.

Foreign debt

The key element in Deumark's economic situation is its foreign debt. The Danes have run a current account deficit for over a decade and have so far had no trouble in financing it. By the end of last year, however, the net foreign debt was equivalent to DKr 80bn (£6.5bn) or over 20 per cent of the national product. Mr. Knut Heinesen, the retiring Finance Minister, warned that Denmark would have to turn to the International Monetary Fund for help within a year or two. if the situation was not cor-

The package of economic measures introduced by the Government in December after the devaluation of the Krone was the most ambitious attempt for many years to stabilise the economy. It contained the first real attack on the inflationary indexation of wages to consumer prices. However, several of the tax increases included to win trade union support were quite inconsistent with the avowed aim of improving the competitiveness of the export

The Government clearly underestimated the effect of these tax measures on business confidence. Retrenchment in public spending was also anadequate. Last month Mr. Brik Hoffmeyer, governor of the National Bank, turned to Hogarth's Rake's Progress to illustrate his view of the direction, in which the Danish economy was still moving.

ecotions was still moving.

In "is recent political actions,
the Danish recomment has

modernisation plan which the Americans in particular had sought. The Social Democrats annual increase in defence spending. The U.S. Defence Secretary, Mr. Harold Brown. protested in a letter to the Danish Defence Minister.

Lastly the Social Democrats appeared to reverse Danish energy policy by postponing indefinitely a decision on the introduction of nuclear power. Mr. Joergensen backtracked on this issue at the weekend. claiming that the intention was only to postpone for a year or two the national referendum on nuclear power which had been expected to take place in

1981. The impression left is that Mr. Joergensen has become the hostage of a left-wing minority in the Social Democrat Parliamentary group.

Mr. Joergensen has won respect both at home and abroad for his dogged efforts to govern the country sensibly with only minority support in a splintered Parhament containing 10 parties. Moreover, while the influence of the left wing within his party has probably been exaggerated, Mr. Joergensen's difficulties with the trade union federation (LO) cannot be underestimated. His relationship with the LO chairman, Mr. Thomas Nielsen, is particularly abrasive. But it is not the LO which has been pushing Mr. Joergensen to abandon nuclear energy or to hold back defence spending.

Stronger measures

Whatever the reasons, tactical or personal, inducing Mr. Joergensen to pursue indi-vidual defence and energy policies, he must realise that Danish economic policy at least needs to be firm and consistent. At the weekend he acknowledged that stronger measures

HE General Electric Company's surprising intervenpany's surprising intervention into the apparently calm take-over of Decca by Racal, and the high price it offered for it ("no point in messing about," said Sir Kenneth Bond, GEC's deputy managing director, yesterday) shows that GEC wants Decca quite as

much as Racal does.

Why. And which of the two options would be better for the industry? If the GEC bid were success ful, most of Decca would be integrated into one of the most dynamic of the company's divisions, GEC-Marconi, which has worldwide sales of around £700m. As the accompanying panel of information suggests, it would complement much of

Marconi's range rather well. In radar, the two companies offer some overlapping systems. but Decca has tended to concentrate on the small and mediumsized marine market, while Marconi is stronger in large naval systems, and in aviation and defence markets. Both have large capabilities in microwave systems. The markets have, in recent years, been rather flat, but both companies believe they are on the upturn.
In navigational aids, both

offer the Loran system (developed largely in the U.S.), and both market satellite-based navi-(though systems Marconi is stronger here). However, Decca's unique product is the land-based navigational chains, more accurate (where available) than the other techniques, and if integrated with them, capable of being made into an attractive package.
In electronic warfare, the two

companies are to a considerable extent already partners, with Decca working as a subcontrac-tor to GEC-Marconi on two large Ministry of Defence contracts in the field of jamming and passive warning receivers (which allow a pilot to know what sort of radar is monitorine his movements, and thus take evasive action). Outside

umbrella, Decca still has the consumer electronics division. which makes colour televisions and has recently developed a line in Prestel receivers. GEC. in partnership with the Japanese company Hitachi, is a capacity the Decca plant offers -though its own Prestel/viewdata range is being built up rapidly. Mr. Gulu Lalvani, chairman of Binatone, has expressed interest in the Decca plant as a manufacturer of the Microvision pocket televisions which

one possible purchaser for it. force "in the UK-long a public sale, and there is no reason to



Chairman of Racal Electronics: a larger halo

suppose it will not go through. The radar and defence interests of Decca would then clearly be of some value to Marconi. GEC had wanted to take over the defence, medical and research divisions of EMI, but was thwarted by the bid by Thorn for the entire company: it has clearly had expansion on

Customer interest

Unlike Marconi, Racal has little capability in microwave technology, having specialised in HF and VHF technologies, with great success. It has been hampered in lacking this capacity, as more and more customers have shown an interest in total communications systems, including microwave. The acquisition of Decca would have launched Racal into this market in a major way, presentmajor force in this market, but ing strong competition to probably does not need the extra Marconi both at home and overseas.

That is why GEC wants Decca: should it have it? The heart of the argument, now being rehearsed in Government, is this: on the one hand, GEC strengthened by the acquisition of Decca would be more capable he took over from Sinclair of playing the world role which faced, for most of its communication is presently distinguished the world role which faced, for most of its communication is to make a subtic supplier? Who is to keep the communication of playing the world role which faced, for most of its communication is to make a subtic supplier? Who is to keep the communication of playing the world role which faced, for most of its communication is to make a subtic supplier? Who is to keep the communication of playing the world role which faced, for most of its communication is to make a subtic supplier? Who is to keep the communication of playing the world role which faced, for most of its communication is a supplier with the communication of playing the world role which faced, for most of its communication is a supplier with the communication of playing the world role which faced, for most of its communication is a supplier with the communication of playing the world role which faced, for most of its communication is a supplier with the communication of playing the world role which faced, for most of its communication of playing the world role which faced, for most of its communication of playing the world role which faced, for most of its communication of playing the world role which faced, for most of its communication of the playing the world role which faced, for most of its communication of the playing the world role which faced, for most of its communication of the playing the world role which faced is a supplication of the playing the world role which faced is a supplication of the playing the world role which faced is a supplication of the playing the world role which faced is a supplication of the playing the world role which faced is a supplication of the playing the world role which faced is a supplication of the playing the world role which is a supplication of the playing the world role which is a supplication of the playing the world role which is a supplication of the playing the world role which is Decca's music division is in ambition of Mr. Ernest Har- as it is, is far from academic. It is a difficult choice.

will pull out. A decision on that the first argument is overwhelmhas still to be made, but the ing. Faced with powerful comstrong indications yesterday petition in world markets from were that such a reference will not be made. There are various such giants as the West German Siemens, Dutch Philips and the reasons why this is the likely French company Thomson-CSF, outcome of Government diswhich is increasing rapidly in strength, the domestic argument cussions. appears to pale into insigni-ficance. GEC-Marconi argues First, a reference would mean that six or even nine months that Ministry of Defence conpause would ensue, a period which Decca would be unlikely tracts are, in any case, scarcely

warfare, specialises in naval surveillance and jamming tech-

"The major interests of Decca, in delence electronics and navigational would be integrated into GEC-Marconi in the event of a successful bid.

GEC makes its bid for the

pole position

BY JOHN LLOYD

THE THREE COMPANIES AND

THEIR MAIN PRODUCTS

GEC-MARCONI*

encryption equipment and multiplexers.

and has developed a range of Prestel receivers.

For GEC, naturally enough,

competitive, being more often

allocated on the principle of Buggins' turn or, as in the case

in electronic wantare develop-

ments, are collaborative con-

All of Decca's major divisions,

the argument continues, require

large and continuing amounts of

capital for research and develop-

ment. The company as a whole

needs a rapid infusion of strong

management. GEC has both of

these with large cash reserves

even after a depletion of the

price to be paid for Decca, and

some surplus of management

talent. By contrast, it would

argue, Racal lacks cash and the

leanness of its operation-

usually an advantage-is a

The counter argument bases

How is the

much of its case on internal

Ministry of Defence to ensure

competition.

tracts between the companies.

RACAL

has great strengths, but they need to be tapped quickly, and not left to decline further in the midst of uncertainty and declining morale. Second, there is a precedent for not referring the bid in the recent merger of Thorn and EMI, which has created a grouping not too much smaller in sales than GEC. The Department of Trade pressed hard for Thorn/TMI to be referred, but the Department industry and-more importantly

to survive intact. The company

porate mind, has already said it

the Treasury stepped in to block the reference. It would be difficult to argue that a law should be applied to GEC where none was to Thorn. 'Discriminatory'

argument it gets value for money if it is did not refer Racal? GEC must now too GEC's £82.5m able that now is as good a time already feels hard done by on price, and it must do so as any. The large European takeovers, and would argue with some cash element to companies, whether backed by for it with a partner, presumed stantial contribution to world GEC-Marconi-Decca on its toes already feels hard done by on to be a South Korean company. trade. On the other, Racal's in the UK market? Will research takeovers, and would argue if GEC decided it does not want acquisition of the company suffer when only one company bitterly that a GEC-only reference plant, it thus has at least would help make it a "second undertakes it?" The argument, finely balanced

Again there are counter arguments which might strengthen both of the resolve of the two petition in world markets grows the process of being taken over rison, Racal's chairman — and The Government must decide in the days ahead. There is by Polygram, the Philips/ would provide domestic cus- whether or not to refer the GEC overlap in the companies' Siemens-owned record company. tomers, crucially the Ministry of bid to the Monopolies Commissinterests and there would be GEC's bid is conditional on a Defence, with a competitive sion. If it does, GEC, with some reduction in competition, successful completion of that bidder on a number of contracts. recent memories of a protected at least domestically. The wait for Averys fresh in its cor- question



ing director of GEC: "He gets

could be overcome by referring both Racal and GEC to the

Monopolies Commission.

There is precedent on this issue, too, though further back in time. In 1972, two pharmaceutical companies, Beecham and Boots, launched com-peting bids for a third, Glaxo. Both bids were referred to the Monopolies Commission, and both rejected, the investigators arguing that the arguments for the benefits of scale were nutweighed by those for the need to maintain several independent centres of arguable that the same issues present themselves here, and that they are important enough justify an independent inquiry.

Yet, as more than one City analyst commented. Arnie (Sir Arnold Weinstock, GEC's managing director) wants, he will get." The reason for such determinism is not merely respect for Sir Arnold's acumen-the City has endowed Mr. Harrison with an even larger halo in recent yearsbut a sober appreciation of GEC's cash and industrial strengths. What Sir Arnold wants, he has the muscle to get. The relatively high bid for Decca reflects this and presents Racal with a profound dilemma. Third, could Government which was no doubt in part the reasonably refer GEC when it intention. To stay in the race it

> companies, and of their need for fiercer: the rapid and price becca. The company may be cutting effects of microworth, say, £100m to Racal for electronic developments demand domestically. The it may not be worth as much to capital. The pace can no longer of discrimination GEC. Again, if GEC does want be a leisurely one.

the company badly, it will be able to take it.

The Thorn EMI merger, and the current battle, have revived partly dormant speculation on the future of the British electronics industry, speculation made keener by the interesting condition of Ferranti, soon to be cast loose from the protective embrace of the National Enterprise Board (it holds 56 per cent of its equity). A commonly suggested move yester day was a successful GEC bi for Decca, followed by a profi making sale of Decca shares t Racii it now holds around 6 pe rect it now awas around o pi-cent) and a Racal bid fi-Forranti. Scarcely less popul-was a GEC bid for Ferrantiwhether it succeeded in acquing Decea, or not.

Ferranti, it was pointed ou. is extremly attractive to bet companies. It has a developis semiconductor facility with a strong U.S. link, good if sll small overseas markets. 1d some 30 per cent of its sales .t. the Ministry of Defere. where research and develoment is largely state-funded ad from which the potential spioffs are large. All it lacks, its argued, is financial strenghi and both Racal and more pur ticularly GEC could supply that

Ferranti's own wish is to be left alone by large predators it hopes its shares will be placed on the market (as were ICL's) to prevent a takenver. For the moment, it appears unlikely that it will not at least suffer

Implied snub to Plessey

The remaining element Plessey, which has smarted in recent weeks at the implied; snub that it does not already. constitute a second force in the UK electronics scene. While it is easy enough to imagine GEC, Racal or even Thorn taking an interest in parts of Plessey, the company has been the centre of rumours and abortive stratagems for so many years now that it is beginning to acquire a kind of inviolability. Further, though some of its interest, especially those overseas, conrecently created a new group for electronic office equipment and revamped its semiconductor division, which it had previously attempted to sell off. It is no sitting duck: the takeover or dismemberment of Plessey would be a sorious business indeed.

Yet if we are to see a restruct turing in electronics, it is arguflesh out its previous all-share their Governments, under their own steam or both, are growing Such a battle will be the test apace: U.S. and Japanese comthe reasons outlined above, and an ever-greater concentration of

MEN AND MATTERS

Playing the game the EEC way

"The trouble is that the British insist on playing to rugby union rules, while everyone else is playing rugby league." That is how Lord Selsdon, the Midland Bank's EEC advisor describes the failure of British industry and banking to take full advantage of the oppor-tunities offered by membership of the EEC. Now, almost seven years after accession, the Midland is making an effort to join the league dominated for so long by the French and other more practised members of the Nine. Selsdon's aim is to win for UK operators a bigger share of the financial and industrial business in the EEC and its areas of influence beyond Europe.

The Midland has accordingly opened a special branch within a stone's throw of the Commission. Under the control of former Eurocrat Dermot Gleeson its function will be to help British companies work their way into the lucrative field of contracts — especially in the developing world - funded or assisted by European institu-tions. Gleeson has also been briefed to help UK private sector operators through the bureaucratic mazes which have to be negotiated to win grants or loans from the Commission and the European Investment Bank.

Last year, Selsdon tells me, the French won 40 per cent of the contracts offered under the Lomé Convention between the Community and developing countries. Britain took 3 per

"What has held us back is th fear the British have of the Government and the private sector being seen in the same room together," he complains. He hopes now to model his operation on the lines followed by the French, who have inti-



These connections often provide French contractors with early warning of work coming up. As a result they can get in quickly and make contact with prospective customers before final details are worked out: "Then, for example, when the specifications are drawn up, we discover the job needs a type of generator made only in France."

Traffic islands

The Orcadians are mulling over a scheme which would, at a stroke, solve their wrecked car problem. Not being blessed with the mainland's network of scrap merchants, motorists simply tend to abandon their old cars. A scheme now being considered for building artificial reefs from such rusting eyesores would— it is hoped—also do something

recommendation of fish farming consultant and former Unilever manager, Dr. Ted Needham, of Aberdeen. "A sandy shore," he by the French, who have intimate links between government,
private industry and the European institutions.

Aberdeen. A sandy since, ne

I wonder what services commandant Pieter Marais, chairman of Armscor, the Statemuch.

Seems to come out at not very
mandant pieter Marais, chairman of Armscor, the Statemuch.

Observer

average lobster. Experiments on the west coast of the U.S. and in Japan suggest that a submerged Oldsmobile or Datsun is, on the other hand, just the thing, offering algae and a satisfactory habitat.

The idea is tied in with a more ambitious scheme for a

fishing hatchery on the island of Stronsay, which rough calculations suggest would cost between £250,000-£500,000, and bring in perhaps £200,000 a year. The condition—as the Orkney Islands Council sees it - for spending that amount of money is that Orkney succeeds in negotiating with Brussels its own fisheries policy. Similar demands have already been made by Shetland.

Conceding that negotiations with the EEC are still at the exploratory stage, Orkney Islands development officer Alan Cognill says: "There is little or no alternative; that's our basic argument." Although the local fishermen are reported to be "sceptical" about using old cars to encourage lobsters, something will clearly have to be done if the fishing industry in the northern isles is not to die cut completely.

Lobster fishermen are having a particularly thin time of it— 112 tonnes were landed in 1967, declining to a mere 69.4 tonnes in 1978, despite or because of more end more sophisticated techniques for catching them.

Gongs for guns?

The South African Government, never exactly free with informa-tion—witness last weekend's news blackout on the Salem tanker mystery — keeps even closer counsel on affairs relating to restore the much-depleted closer counsel on affairs relating stocks of lobsters, scallops, and perhaps fish as well.

The artificial reefs are the prising, then, that it gives what the country of th I take to be revealing clues about these areas in its latest

Official Gazette.
I wonder what services Com-

beaches offer little to the rendered to merit the award of Taiwan's Order of the Cloud and Banner (with plaque)? Defence Force chief General Magnus Malan has gone one hetter, collecting two decorarious-Orden del Merito Militar and El Grando Gran Officialfrom his admirers in Paraguay.

Inflation-free

In the name of free trade, the Japanese Government has unveiled the first list of items which it is now prepared to allow unrestricted access to its markets under the recent GATT deal. Predictably perhaps, the tally includes gold ore, slag and goldsmith's sweepings, but the eye stops at tariff item 88.01balloons and airships. My indefatigably curious colleague in Tokyo immediately sought the facts from the Ministry of International Trade. Balloon imports, he was told, had been banned in the past "in the interests of national security." but it was now considered safe to allow free trade "from the standpoint of actively contributing to the development of world trade."

Mystery figure

Something odd evidently happens to the laws of mathematics in Peterborough. Anxious to attract any company and, if possible, its parent, the authori-ties there have been deploying the slogan "Fifteen times faster." This, it is alleged, is the rate of growth in Peterborough compared with the national average—"15 per cent per annum compared with around zero."

Yesterday's round of advertising had moved on to claim a £95.000,000 confidence vote " in the Peterborough Effect. My calculator and I are still work ing on it, but 15 times zero still

Venture **Capital Report**

The following is a list of the projects seeking venture capital port in the last 12 months.

described in Venture Capital Re
€
Aquatic House
Light Hovereraft
Light Hovercraft
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2 The Mall, Bristol BS8 4DR Tel: (0272) 37222



1975

1976

BY DAVID CHURCHILL, Consumer Affairs Correspondent

IN THE military terminology which has become an essential part of the grocer's vocabulary, Fine Fare yesterday fired another salvo in the High Street supermarket price war Fine Fare's move closely followed the price-cutting offensive last week by the Asda superstores chain—which produced a nervous City reaction and a down-rating of food retailing

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But the City's jitters may reflect more a collective case of shell-shock to the renewed outbreak of firing than a rational appreciation of the current state and future prospects of the grocery sector.

Although price between supermarket chains during the past 12 months has not hit the headlines in the same way as when Tesco started the price war just after the Queen's Silver Jubilee in June, 1977, there has been little easing of competition. Indeed Tesco and J. Sainsbury, which both emerged as victors after the first 18-month phase of the war. launched price-cutting cam-paigns earlier last month which are equal to anything Asda or

Fine Fare are attempting.

The renewed attention to prices, however, masks the real and more important—struggle that is already under way and which will largely determine which of the grocery multiples will be the giants at the end of the decade. This battle is for the development of massive new superstores which will not only enable the multiples further to increase their share of the market but also to achieve higher productivity — enabling them to absorb soaring costs, particularly of labour.

It is within this wider strategy that the continuing level of price competition must be viewed. No grocery multiple can afford to build superstores from a position of competitive offensive as significant as on top of the present intense High Street competitors.

weakness, since the extra selling Teson's in 1977 is hampered by space being generated will be the pressures of rising costs on worthless if consumers do not operating margins. The major believe in the price competitive- cost pressure is labour ness of a particular multiple.

At the same time, no grocery multiple can now afford to initiate a new price war to of Sainsbury's, which negotiates match Tesco's blitzkrieg in the separately) have already begun summer of 1977. Tesco gave up Green Shield trading stamps, averaging between 17 and 20 several percentage per cent. points off its gross profit margins, and cut food prices to a level that, few consumers could afford to ignore. The cost to Tesco was between £20m and £30m — though most of the money was either "saved" by giving up trading stamps or came despite smaller margins from the large increase in volume sales as a result of new customers attracted by the price cuts. (In comparison Asda's promotional price-cuts approunced last week

Receptive

amounted to £5m).

Conditions were different in 1977. Food price inflation was rapidly untstripping the overall inflation rate, which made consumers receptive to a pricecutting campaign on food; no supermarket multiple at that time had overwhelming dominance; and profit margins reflected the inefficiencies of many supermarket operators who preferred the easier course of pushing up prices rather than face up to the need to improve

In 1980, however, conditions are very different. Food price rises are lagging behind the overall inflation rate; Tesco and Sainsbury are firmly in the "driving seat" of directing market strategy; and profit margins have been pared to the hone.

In addition, the ability of any grocery multiple to launch an that further heavy price-cutting able damage on their major

accounting for some two-thirds of total costs - and most major multiples (with the exception to implement pay increases

Supermarkets also face much higher rate bills this year as well as increased charges for electricity, telephones, and postage. Even more significant will be the impact of higher energy prices, affecting not only store heating and lighting but distribution as well.

Tesco, for example, has a ficet of 230 lorries each of which averages 800 miles a week. Every year," points out Mr. ion MacLaurin, Tesco's managing director, "our own fleet covers some 9.5m miles which. turn, costs more than 2600,000 in fuel-and this excludes our in-store heating and ventilation bill, or the fuel costs of the goods delivered direct from suppliers."

Retailers also fear that the Chancellor may use the next Budget to amend or scrap the stock relief provisions of the past few years which have been beneficial to the trade. On top of all these costs, the

multiples have to pay the higher current interest rates to finance the new superstore programmes.

Because of these cost pressures, stockbrokers Phillips and Drew in their latest retailing review published yesterday. suggest that retail grocers' net profit margins will slip from their present 2.4 per cent to 2.2 per cent over the course of have emerged as clear winners this year. This would leave —with sales volume and value food retailers with small scope and profits all substantially up to fight any new price war. Another factor suggesting

Volume of **Retail Sales** (Food Shops) ನೀತ ಗಾವರಿಕ <mark>ಸಿಕ್ಕಡದ</mark>ವ 1337-160 1978 1979

level of competition will not major multiples is in danger of ket shares at the expense of losing its market share. A the co-operative stores and, classic retailing response to a more especially, the small, infalling market share is to dependent grocers. The colaunch a price war in the hope ops' problems are that the that the initial increase in movement has too man; small volume sales can be maintained uneconomic stores as well as at the expense of competitors, the freedom of each individual During the past year Tesco retail society to adopt its own has increased its market share, strategy which makes national as monitored by the AGB control difficult to achieve. The research company, by about 2 independent grocers most at percentage points to stand at risk are those not affiliated to 14.5 per cent; Sainsbury's and voluntary groups such as Spar Asda have both buosted their or V.G., which are increasingly shares by about 1 percentage trying to organise themselves to point each to reach 11.5 per withstand the multiples chal-

Square Department of Irad

because of the pressures of the share at around 4 to 5 per cent. High Street price war during While Tesco and Samsbury's the post 30 months. Even if someone like BAT decided to "give away" some £20m to 30m to imance a major -their success was achieved without inflicting any irreparprice initiative by its International Stores supermarket subsidiary cossuming BAT's share-

GENERAL

Transport Association lunch, and

Dockers' pay talks resume.

Engineers dinner.

speaks at Derby.

cent and 7 per cent respectively;

while the other major multiples

have either slightly increased

maintained their market

The multiple gracers, how-holders would ever allow such emerge is that none of the ever, have increased their mar- a movel. It is doubtful if it would have the same impact as the Sainsbury or Tesco cam-paigns, llowever gulfible supermarke; executives may expect the public to be, there is a limit to their willingness to believe every claim made to be the cheapest shop around. Tesco. Sainsbury, and Asda have been able to achieve such an image. It would be difficult for another ensin to supplant any of them.

SHARE OF GROCERS' SALES

MULTIPLES

[INDEPENDENTS]

CO-OPERATIVES

1978

1977

withstand the multiples' chal-lenge. Some trade estimates suggest that as many as 20 small process a week could have been shutting up shop for good

It is the low-price that remains all important for the major multiples and is the reason that price competition has not been allowed to ease, are investigating almost every Both Tesco and Sainsbury want other retailing activity and proto maintain their hard gains while Asda, which is gradually moving south from existing operations. Asda and its traditional northern strong- Sainsbury are developing do-it-hold, wants to persuade yourself centres, while Tesco southerners of its reputation for low prices.

All important

multiples has developed into trench warfare rather than an armistice being called is demand for food because remains relatively static in real Figures published terms. vesterday by the Department of Trade show that the volume of food sold remained steady in 1979 at almost exactly the same

-**30**.

1979**** Senter MELSES

level as in 1971. Given this lack of volume growth in food sales, and the multiples' reluctance to launch another big price war, they have chosen to compete in have chosen to compete in selling fresh foods—such as superstore development: if the meat, bread, and fruit and key to survival is to increase volume sales to compensate for low profit margins, then this can either be achieved through a price war or through a massive increase in selling

The battle is over which group can get the prime superstore sites and how quickly the stores can be operating. (Super-stores can loosely be defined as any store with over 25,000 sq ft of selling space.) The problem is to find the right sites and to persuade local authorities to give planning permission. The rivalry for some prime sitesespecially in the south-east-is believed to be intense and bitter.

space.

Superstores. apart from dramatically increasing selling space, are also important to the operators for several other reasons.

First, they enable the grocery multiples to sell more non-rood products which earn higher profit margins. The multiples duct area in the High Street to see if it can fit in with their moved into such areas as ow prices.

An even more important to sell branded electrical and

however, why com- television appliances. Frustrapetition between the grocery tion at alleged refusal to supply by major electrical manufacturers has forced Tesco to seek an official Office of Fair Trading investigation into whether or not the relevant competition legislation has been breached.

Secondly, superstores help the multiples develop their fresh foods activity which, as long as service costs are kept under control, are a profitable part of the trade. Traditionally, most supermarkets have been bad at vegetables-because they have lacked the space to deal with

Productivity

Third, the large volume of trade through superstores will both improve productivity and help the groups to introduce laser-scanning electronic check-out systems, linked to sophisticomputerised cated control.

From the consumers' point of view the development of super-stores dovetails with the growing support for "one-stop shopping"—buying both foods and consumer durables from one store. Moreover, with more women working and car owner-ship increasing the advantages of a large shopping expedition once a fortnight or even less frequently become clear.

So tar the Asda group has more superstores — 52 — than other retailers; indeed it only operates superstores. The co-ops are next in terms of superstore numbers, closely followed by the other major grocery multiples.

Last year some 35 superstores were opened-more than in any previous year-and this year about 40 are due to start operating.

Letters to the Editor

Small craft foundries

From Dr. D. Hitchens. Sir.—The recent NEDO report on small craft foundries — their present role and future prospects raised issues that are of wider relevance to the engineering industries as a whole. The that report is contrasted with an earlier study of much the same supply.

(Dr.) D. Hitchens, simply, is whether success or and Social Research, failure depend more on the 2 Dean Trench Street, quality of engineering or more Smith Square, SW1. on the ability to meet delivery

Against a background of an historically rapid rate of small foundry closure, a further expected decline in-demand (for engineering castings) and the required number of foundries. NEDO recognises a crucial tion from the hotel industry strategic importance of the sec-simply do not stand up to comtor to the economy and iden- parisons elsewhere in tifies the primary role of the small foundry as providing a strong local service; a quick one of our largest hotel groups response for an urgent or vital casting. A number of immediagnosed, viz cut-throat competition, low investment, etc. and they recommend a need for Department of Industry to secure the future of small

The studies differ in their

analyses on the weakness of small firms particularly on the importance of the quality of their outputs. NEDO found few procedures for quality control. or evidence that customers required them : service took precedence over quality. The earlier study which examined the proposition that foundry size was related to efficiency and its prospects of survival, generated a picture of ironfounding in which firms viewed the quality of east- are still the only country in ties, committees and sub-ings required by customers as Europe without a strong and committees and discussion very important characteristic of the market place (as important as price and more important than speed of delivery); and generally the larger firms were more able to meet quality specifications than were the smaller firms. Indeed the more successful and growing foundries kept ahead by changing their methods of production in respect of newer pro-cesses and had significant quality advantages over their competitors. But provided the small firm was able to meet the required quality standard. it was under no disadvantage and would survive. Its location in competing for orders was found to be positively unim-

The clue to the difference in emphasis between the two surveys lies in the key local role NEDO mistakenly attaches to the small foundry. Their evidence was that twothirds of the smaller foundries delivered most of their output within a radius of less than 50 miles illustrating the necessity of a close relationship and quick response to customer requirements. However closer inspection of the NEDO data shows that two fifths of the foundries in their analysis are tied to a paredt company. When these are removed, it appears that most of the output of the remaining independent foundries was delivered beyond a radius of

estimated that only about one average price of three de luxe small, and medium-sized busitenth of engineering castings hotels is quoted and wherever nesses can be developed into a are supplied by the very small possible hotels of international powerful voice in Islington independent foundry which has historically been at greatest risk of closure, but the earlier study showed that competitive would change but whether or dark days of economic and forces have reduced their not this would lead to any social unrest and uncertainty.

quality and improvement in production methods. Special measures are not justified for issues appear most clearly when public support on uncertain evidence of a need for a local

1972 The main question, put National Institute of Economic

The hotel industry

From Mr. M. White Sir.-The letters of protesta-

world. Not long ago, the chairman of From the Employment Officer. boasted that an investment in

his company showed a better

diately pressing problems are return than most other public companies over the last decade. The fact of the matter is that hotels and the auxiliaries surspecial consideration by among rounding them are outrageously others, the Inland Revenue and expensive compared with the salary scale in this country. For example, in America's mid-West, a large double room with bath and all facilities in an excellent hotel can be had for around £25 a night; parking

one's car in a hotel car park

in London for the day is twice

as expensive as in Zurich. should encourage our tourist business, but there is no doubt in the monds of most people foreign visitors, that the hotels here have become greedy and indulgent. Apart from this, we powerful tourist board. Tourism groups already in existence that is the easiest industry for this take months, even years, to country to make money from and yet it is run in such a way that we will get what we deserve in due course, unless uncertain merit. we make a much greater effort to give both value for money and more consideration to the foreign visitor.

Michael White. 13 Duke Street. St. James's, SW1.

Living costs overseas

From the Manager, International Salary Research, Inbucon/AIC Management Consultants

Sir,-You have published letters from eminent correspondents in the hotel industry which imply that because many hotels in London are less expensive than those quoted, ergo the extracts from Living costs overseas" (January 25) are misleading. As a member of the organisation responsible for some of the extensive research which goes into that publication each year I feel that two points

In any international comparisons it is essential that as far as is practicable the same standards should be applied at all The Chamber is also pushing locations. "Living costs over- hard in a membership campaign on it. Much as our members seas" compares prices in first to restore its active member wished to be the first to supply class hotels of high international rolls to the thousand mark, more standards situated in the main than double the present member there was no merit in taking standards situated in the main union the present members there was no merit in taking standards standards situated in the main union depresent members there was no merit in taking the business at a certain loss.

R. If more appropriate to consistency shopping, entertainment or ship. By strengthening its the business at a certain loss. Harry Hornsby business districts of the city influence in the community, a Harry Hornsby business districts of the true representation of large, 25, Whitehall, SW1.

should be emphasised.

If different standards tive. were applied individual costs

table is questionable, especially

in major western countries.

The book aims for consistency between one year and another. W. D. Crawford. There is no doubt that in recent years hotel costs in London have risen more rapidly than in most other places. This, coupled with a strong pound, rather than the choice of hotels, is responsible for London's position at the head of the list.

A. J. Arthur. 197, Knightsbridge, SW7.

Consultative weaknesses

Islington Chamber of Commerce

Sir,-Mr. Lorne Barking's article, "London small business community tries to make its voice heard," (January 7) dealt with the efforts of the consultative group of the Greater London Chamber of Commerce and Trade to strengthen and expand the influence of small businessmen to encourage and support government policies which could

benefit

The Islington Chamber of Commerce and Trade, whose quite right to say that we small businessmen, declined an who come in contact with endless consultation and futile discussion which leaves issues unresolved. There are too many research projects, working par arrive at conclusions or recommendations which are often split opinions of dubious value and

> I say this with all respect to the good intentions and honest objectives of the consultative group. Yet, as the article pointed out, after ten years of consultation: serious differences of opinion remain which effectively block concerted representation of the small business commumity. Our Chamber of Commerce chose instead an action course intended to help solve the ugly, growing problem of unemployment in this community which has suffered serious economic and industrial deterio-

> ration in recent years. With the financial support of the Islington Borough Council under a partnership grant, an employment stimulation unit was established by the chamber and is operating not only to create and expand job opportunnities but also to attract outside industry to set up new plants. large or small, and at the same time make every effort to retain existing industry and small husiness within the community: In the last three months, this

groups are taken as representa- where it will do the most good. These are the kinds of action we believe are required in these numbers because of a need for alteration in the relevant league. This is the way, as the article mentioned to develop strength at the grass roots level in the local community.

330, Holloway Road, N7.

Citizens' band radio

From Mr. D. Jarrus

Sir,—I would like to sympathise with your correspondent (January 29) who apparently has had expensive radio-controlled model aircraft damaged by the illegal use of citizen's band radio operating on 27 MHz. l cannot sympathise, however, with his universal condemnation of CB radio.

Your correspondent may not be aware that there is a very active campaign to have CB radio introduced into the this year and hopefully on VHF. which will not cause interference to aero models or anyone else. Ironically, opposition to CB radio by people such as your correspondent obviously helps delay the introduction of a properly regulated CB system and give rise to the frustrations which encourage the importation and should be directed to their and use of foreign sets which

cause the problems for other sections of the community. Perhaps if aero modellers lent Mr. Hearn (February 1) is membership is almost entirely their support to the campaign for a legitimate CB network tive group on the grounds that they would save themselves a what is needed is action, not we will not be faced with a endless consultation. we will not be faced with an "Australian situation" where so many illegal sets were in operation the Government authorised CB in desperation. In this con text it is worth noting potential users in the UK are currently estimated at 8m. There seems to be a case for early orderly introduction to pre-empt a possible eventual shambles, and unhappiness all round.

David A. Jarvis. 5. Carronvale Avenue. Larbert, Stirlingshire, Scotland.

Buying a loss

From the Director-General. Process Plant Association

Sir,-David Fishlock's article on prospects for bio-technology (January 28) contains a reference to the British process plant industry which is quite incorrect

Our industry is just as interested as the chemical industry in this new technology. There was in fact a great deal of interest by members in supplying the large fermenter to ICL Billingham and there was intense competition for the

It is well known in the industry that the order for this vessel was placed in France because of the exceptionally low price quoted and that France "bought" this business in the full knowledge that they would make a substantial loss

Today's Events UK: Mr. James Prior, Employment Secretary, is among speakers at "Communicating in the 80s" two-day conference, opening at Kensington Town

Mr. John Forsyth, Morgan Grenfell and Co., director, speaks on the future international role of sterling, Royal Institute of Mr. David Howell, Energy Secretary, speaks at Freight

International Affairs. Prince Charles visits British Institute of Management.

Institution of Chemical National Stamp Exhibition opens, New Horticultural Hall, Westminster (until February 9). Union-management working Overseas: UN disarmament party meets to find buyer for Meccano factory, Liverpool.

conference resumes, Geneva. PARLIAMENTARY BUSINESS: Sally Oppenheim. House of Commons: Local Government Planning and Land Minister for Consumer Affairs,

(No. 2) Bill, second reading. Motions on EEC documents concerning the general energy gramme, nuclear power station finances and the plutonium

House of Lords: Criminal Justice (Scotland) Bill committee stage.

Select Committee: Foreign Affairs. Overseas Development Sub-Committee. Witnesses: Over-seas Development Administration. Room 16, 5 pm.

OFFICIAL STATISTICS

reserve assets, reserve ratios and special deposits (mid-January). London clearing banks' monthly statement (mid-January).

COMPANY MEETINGS

Baggeridge Brick, Midland Hotel, Birmingham, 12.30. Elson and Robbins, The Post House, Bostocks Lane, Sandiacre, Notts., House, Wood Lane End, Hemel Hempstead, 11. Tomkinsons Carpets, Duke Place, Kidderminster, Worcestershire, 12. COMPANY RESULTS

Final dividends: Aaronson Brothers. English and New York OFFICIAL STATISTICS

UK banks eligible liabilities, Group Steinberg Group Unitech.



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Lonrho down nearly £10m HIGHLIGHTS but 1980 looks brighter

REFLECTING heavy reinvestment, trading problems to West Africa and the expense of the successful SUITS takeover hearings, pretax profit of Lourho, the international mining, finance and trading group, feil from £93.64m to £84m for the year ended September 30, 1979.

The balance sheet, however, has never been healthier, says Mr. R. W. Rowland, chief executive, and in view of the enhanced prospects in the current year a special interim dividend of 1p has now been declared for 1980 to be paid along with the 1979 final up from 4.25p to 4.68p net The final dividend increases the total for the year by 10 per cent from 6.65p to 7.32p a share. Following the special interim, the directors expect that a second interim will be declared in July or August in accordance with

Earnings per share are shown to be down from 24.33p to 18.65p net or from 26.39p to 23.21p on

normal practice.

Increasingly the group is in proven developments or new investments in developed countries rather than in new ventures in developing countries which were depreciated against 175p. Loans amounted to \$137 \text{ Im. (£73.9 m)}. in new ventures in developing countries which were depreciated the directors state.

Due to this change of emphasis

againatively short period. to £137.Im (£73.9m).

An analysis of group profit (including associates) shows min-

as from October 1, 1979, the entire surplus arising from pro-fessional valuations of fixed assets will be credited directly to reserves, they add. 1978-79 1977-78

1,565 45 1,491 37 57.94 57.67 18 39 16.51 7.67 19.46 £297.1m (£277.4m)

Other credits amounting to provision for depreciation arising on valuation of fixed assets which was charged to profit before tax a nil distribution basis.

Group turnover increased from £1.49bn to £1.57bn and group trading profit, including associate profit, from £74.2m to and profit on disposal of investments of £0.10m (£3.48m).

ing and refining \$30.9m, agricul-tural equipment, machinery and F18.6m. £10.95m, general trade £9.54m, engineering and manufacturing ES.26m, export confirming. finance, property and insurance £7.98m, wines, spirits and beers £3.86m, textiles £3.52m, printing and publishing £3.05m, and hotels

19,46 #4.04m.
33.71 In his review of the year's 59.33 operations. Mr. Rowland says he 13.97 is confident that the group will continue to grow around its longestablished core of mining and agriculture.

He feels that gradual expan-sion in the UK and the western hemisphere is in the best long term interests of shareholders. This programme is now well under way and the group will be seen progressing further from 1980 onwards while maintaining its investment plans in Africa.

Vibroplant Holdings over £2m in first half

PRE-TAX profits of Vibroplant year for a fully taxed p/e of 7.6. figure was more than doubled Holdings, the North Yorkshire plant hire company, showed a substantial increase in the half-total distribution, the shares year to September 30, 1979, yield 8.4 per cent at 257p. The rising from £1.6m to £2.1m. price is within striking distance rising from £1.6m to £2.1m.

The net interim dividend is raised from 4.422p to 5.23p, equal to 7.5p (6.6p) gross—last year's total was 12.402p net from pre-tax profits of £3.17m.

Turnover for the first half was £6.8m against £5.4m, and the tax charge was £1.1m (£831.405). Mr. Donald H. Gaunt, the chairman and managing director, told the annual meeting in October that the company had a full order book. He said efforts were heing made to increase export sales, and many new accounts were opened during the previous six months in various countries and the Board felt there was scope in this direction for the future. Exports in the last financial year amounted to

comment

The latest interim improvement at Vibroplant has been achieved on the back of a 26 per cent increase in turnover and, thus, a useful volume gain. Of possibly greater importance is the 34 per cent increase in cash earnings (struck before depreciation, interest and tax) which shows that the balance sheet is readily capable of financing the slight rise in capital investment planned for this year as a whole. The months to September 30, 1979, climate this winter is now more and including interest receivable suitable to Northern Europe than up by £61,454 to £99,151, pre-tax the Arctic circle, and the second six months has started well, £335,147. again enjoying the benefit of a 15 per cent rate rise from stated up from 1.13p to 1.49p, October 1. Plant utilisation is while the interim dividend is apparently as good as it has ever raised to 0.7p (0.5p) net — the been over the past five years 1978-79 total was 1.6p on record which suggests that pre-lax pro- profits of £528,086.
fits will reach at least £4.1m this Attributable profits for the

Apex Properties ...int. 0.7

U. C. Investments 43‡ Vibroplantint. 5.23

Hambro Trustint.

interim for current year.

Trustint. 1

....... Pentland 4.78\$ U. C. Investments 43‡ If the rate of net interim dividend increase is applied to the of the 12-month peak and there is no reason to suppose that Vibroniant will underperform a tolerably resilient sector over the

Increase by Continental

BOOSTED BY non-recurring franked income of £0.68m this time, total revenue of the Continental and Industrial Trust increased from £1.37m to £2.4m for the six months to November 30, 1979, while the pre-tax

at £2.01m, compared with £0.96m. The non-recurring income represents dividends received from the company's holdings in British Petroleum, Shell Transport and Trading and Unilever as a result of removal of divi-

Tax for the six months took 10.84m (£0.34m) and after pre-ference dividends, revenue avail-able for ordinary holders rose from £0.8m to £1.34m. As already known, the net

interim dividend is lifted from 2.5p to 3p per share and there is a special interim of 2.8p— last year's total was 7.2p on pre-& Industrial Net asset value is shown as 264.5p per 25p share at the half year, compared with 296.1p at May 31, 1979 which included full

> During the period drawings under the currency loan facilities were reduced from U.S.S7.9m to

Apex Properties up to £335,000 so far

Apex first half slipped from £171,129 Properties rose slightly from £493,394 to £501,394 for the six

Earnings per 10p share are

DIVIDENDS ANNOUNCED

Date Corre- Total
Current of sponding for
payment payment div. year

March 28 0.5

March 13 0.65 March 21 1*

April 3 4.25 April 17 3.05 April 3 28

4.42

* Last 10 years - profits up 21% p.a.

* Continuing diversification at home

* New policy of growth by acquisition

For more information write to The Secretary,

Marley Limited, Riverhead, Sevenoaks, Kent.

* Stronger still in D.I.Y.— and

expanding rapidly

MARLEY

April 3 March 5

* 1979 — profits up 19%

compound

and abroad

profits improved from £253,176 to Pension fund

problems not affecting M & G

to £160,871, after tax of £174,276 (£131,652) and an extraordinary

First quarter's profits of M and G Group (Holdings) are at a level comparable to those of last year, and Mr. Andrew Caldecott, the chairman, says there is no reason to believe that the problems with the Endowment and Pension Fund are adversely affecting current trading.

Mr. Caldecott's comments appear in a circular to shareholders outlining the proposed deal with Kleinwort Benson over the foreign life fund of M and G's Endowment and Pensions Fund.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents throughout. § Includes special dividend of 0.83p. †Plus special 1p He says the precise amount of any eventual liability arising from the Inland Revenue's unpaid taxes claim "remains

GEC has announced its terms for Decea-a bid of £82.5m cash-and Lex looks at the implications of this developing battle. On a quiet day for company news Lonrho announced its preliminary figures for the year ended last September, showing a £10m fall in profits to £84m. Debenhams has released details of a scheme to split off its credit financing business into a trade investment company which will take the debt ou of its balance sheet. Finally the gilt-edged market had another hectic day with falls of over one point at one stage and Lex looks at the state of the market ahead of the January banking figures. On the inside pages there are comments on Hillards

Debenhams credit side hived off

A NEW finance company has been set up which will take over business in the UK and overseas. The new company—Welbeck Finance—has acquired Deben-

hams Finance through which credit operations, currently amounting to £100m sales per annum, will continue. Under the deal Debenhams will pay Wel-beck a service charge of 2.5 per cent on all Debenhams credit

Debenhams has £75m of credit business outstanding of which £35m is represented by an over-draft from Lloyds Bank. The new Welbeck will have total funds of £105m of which £20m will be subscribed by Debenhams. ill be subscribed by Debenhams, the balance being raised through a £65m acceptance credit facility arranged by N. M. Rothschild and Sons and a £20m overdraft facility provided by Lloyds Bank. Mr. Kenneth Bishop, chairman of Welbeck, said that the substantial horrowings required to finance the increasing level of credit sales in Debenhams would in future be raised by Welbeck. This will not affect the present not asset position of Debenhams

ings by some 120m. new arrangement also allows the credit expertise within Debenhams to be avail-able to other retailers. Welbeck

although it will reduce borrow-

company within the retail credit business and the company will be the retail credit operations of business and the company will be Dehenbams, the department store actively seeking clients both in the UK and abroad. Welbeck's net surplus for 1979/80 is forein the current year. Debenhams will hold 10 per

cent of the equity share capital of Welbeck but the right attaching to its class of shares entitles it to virtually all of the profit distributed by way of dividend. The remaining shares will be deferred equity held by sleeping

Debenhams also confirmed yesterday that Harvey Nichols department store will not be sold, despite at least two serious offers for it in the £25m range. It is intended that in store franchises will be developed at Harvey.

Debenhams plans to close the external outlets of its New Dimension stores on February 28. Mr. Hardy Amies announced vesterday that he has acquired the business operated by Deben-hams under his name since 1973. Mr. Amies emphasises that his women's couture, boutique and ready-to-wear retail business will said that he was "totally committed " to expanding further the company's considerable licenses business in men's wear, women's wear and household goods.

A compulsory winding up order was also made against the

Manchester-based General Englo-

The group's listing was sus-

pended last June and a state-

ment by the joint receivers and

trade would continue in two wholly-owned "hived down"

subsidiaries, General Engineer-

ing Radcliffe 1979 and Trafalgar Engineering 1979 which were

and Sons, Freeman Mechanical

not in receivership.

managers in December said that

eering Company (Radcliffe).

Gilmore meat group winding up order

MEAT TRADER Gilmore and Partners (Smithfield) was compulsorily wound up in the Court yesterday. company went into voluntary liquidation following December's announcement of £1.5m debts. The order, made by Mr. Justice Dillon, follows a petition brought by Trans Oceanic Meat Company. -which claims £11,477

Ten creditors, including meat trader J. E. Sanger, had opposed the order. But they agreed to support it yesterday Other orders were with the provision that they against the following companies:

They were: E. A. C. Saunders

They were: E. A. C. Saunders manager to maintain "con- national), East Ferry Demolition of compression fittings for copper the company's and Construction, Ferris-Payne tubes and pipes.

Their counsel suggested for the post. Mr. Roger Cork of Gully, the company's voluntary liquidator. Mr. Cork said he will accept the post if it is offered,

be given of Gilmore's assets, but they were estimated to be of the order of £200,000. The City of London police's fraud squad is now engaged in a full investigation of Gilmore. But it will be "a couple of months" before any results emerge, said Detective Chief Superintendent Keith Taylor.

Johnson and Pickford, Jackbox. P.S.T. Engineering. Goodaccountants Cork, glade and The Pemini Organisa-Liverpool Non-Ferrous Meta Co., Tresmead, Annals (Car Sales) and Promexport inter-No accurate indication could national (UK).

and Gatezone

Crepedale Marine Associates, Lagona Roofing Contracts, The London Contract Decor Co. and Sounds Ahead (Mail Order). Compulsory winding up order against Ewin and Son, made on January 21, and H. T Travel (January 28) were rescinded and the petitions dismissed by

NEW LIFE BUSINESS

Strong improvement by **Confederation Life**

The UK results last year for life and pensions business of the Canadian Insurance company Confederation Life Insurance Company show new annual premiums up by 22 per cent from £3.7m to £4.5m and single premiums 28 per cent higher at £1.7m compared with £1.3m.

Mr. P. Wortman, the general manager, stated that growth had been experienced throughout most of the range of the company's products, with the mix of life and linked business being around 50-50. Personal pension business for the self-employed Company show new annual prebusiness for the self-employed was down in 1979, but this was more than compensated by the rise in executive pension business.

The growth in single premium business last year reflected the popularity of the company's Canital Protected Plan, a to-back growth bond over 10 to 15 years. Sales of this bond expanded by 154 per cent to almost £900,000.

Australian Mutual has buoyant year

Buoyant life business last year in the UK is reported by the Australian Mutual Provident society with new annual premium income advancing by 25 per cent to over £1.6m. New sums assured reached £95m. New annual premiums on indi-vidual husiness improved by 26 per cent to FI.4m, with sales of conventional with-profit whole life and endowment assurances being strong. New annual premiums on group pensions business rose by 23 per cent to £224,000. Worldwide business of the society, one of the largest life companies operating in the Commonwealth reached record levels with new sums assured rising 7 per cent.to A86.95bn.

Crown Life **Pensions** fund offer

Crown Life Pensions, a member of the Crown Life Group (UK), has expanded its pension services by entering the managed fund market. This will add to its present range of deposit administration pension schemes.

Initially two funds are being offered to clients— a Mixed Fund covering all investment media, and the Money Fund. Under the latter fund, investment will be in short-term and liquid assets and the unit price is guaranteed not to fall.

One novel aspect of this fund is the facility for pensions to be paid direct from the fund, by cashing in units as an alternative to buying annuities. Under this option, the client company carries the mortality risk of

pensioners.
These new managed funds offer to client companies a penservice on a unitised basis and are aimed at the self-administered pension schemes of all sizes, including the recently developed small self-administered

But, under the latter type of scheme, the trustees, under Inland Revenue requirements, have to buy an annuity within five years of the pension becoming payable. Portuguese electronics company, is making an offer for Plessey Portuguesa, the troubled subsidiary of Plessey, the UK Since then, Plessey and the ortuguese Government have

BIDS AND DEALS

Plessey Portugal gets offer

from local electronics group

Portuguese Government have been involved in delicate negotia-tions. Plessey has presented a recovery plan tions group.
Centrel's managing director,
Sr. Jose Rocha' de Matos,
travelled to London to put a
formal recovery programme management recovery plan involving a reorganisation of Plessey Portuguesa's operations and a 1,200 cut in the company's and a 1,200 cut in the company 3,500 labour force. Although the Portuguese Government is believed to have agreed originally to principle to the rationalisation of the labour force, its Sr. da Matos said later he had no doubt that his company had the technical capability to take over Plessey Portuguesa's opera-tions. Without revealing details, position is now thought to have hardened.

Industry sources have confirmed that Plessey's ultimatum has resulted in approaches to the switching equipment. recovery programme that would save jobs and put Plessey Portuguesa "in good condition within two years." Government from a numbe He insisted that, were the take Portuguese and multinational over bid successful, his company electronics and communications electronics and communications companies which would like to against a background of intense and little-publicised activity, the final outcome of which is expected to have far-reaching consequences for Portugal's telecommunications industry. communications industry.

This was thrown into confusion in December after a warning from Plessey Portuguesa is now believed to be facing a industry.

the that it would go into voluntary choice which has already been considered by almost every other essey ment took steps to guarantee its European country: It has in considered by almost every other European country. It has in decide whether to build its telecommunications industry on a nationally-designed system or to try and get the best deal possible out of one of the multipationals. A third option might involve a compromise between the two. Centrel Electronica is majority

controlled by Portuguese private capital, and is 30 per cent owned by the Portuguese stateholding company IPE (Instituto de Participacoes de Estado). Centrel's current operations are limited: It has an annual turnover of about Esc 275m.

However, it has been extend However, it has been extending its field since the 1974 revolution, and has recently brought foreign know-how into its operations. The company has negotiated contracts with L. M. Eriesson, of Sweden, and CNK, of Denmark:

of hormars: Industry sources believe that Centrel could diversity its cur-rent operations and become a major electronics supplier to

The new company initially will

make sailboard sails for Euro-

pean markets, particularly France and Germany and will subsequently add high-quality conventional yacht sails, also for

National Carbonising, under the charmanship of Mr Graham

Ferguson Lacey, continues to

increase its stake in Weeks. Petroleum, the Bermuda-based

oil exploration company which

is quoted on both the Australian

Yesterday the company con-

firmed that it had spent a further Cim increasing its stake

in Weeks from 61 per cent to 71 per cent. National Carbonising

acquired its initial stake of 57

per cent last August at a cost of £3.8m. The purchase was

funded by means of a £4.1m

dollar loan which has, inwever,

since been paid all following the

sale by National Carbonisms of

Scottish Marine Oil for 1124m. Mr. Ferguson Lacey owns

around 2 per cent of Weeks in

his own right and National Carbonising has a pooling agree-

ment with certain other share-

holders who logether now own close to 30 per cent of the equity.

The purchase was

Carbonising

has 71%

of Weeks

and London markets.

Norrington receives approaches County Cork, by June, and to employ 90 within two years.

A number of approaches have been made to Heury Norrington and Son, agricultural engineer, merchant and general ironlisting has been suspended pend-

BY JIMMY BURNS IN LISBON

electronics and telecommunica-

before the Plessey management board.

he said he had in mind a

Centrel

Electronica.

Norrington says the approaches may lead to an offer being made for the whole of its issued share Yesterday's suspension price

was 16p, which expitalises Nor-rington at £609,120 Around one quarter of the shares are held y directors of the company, Samuel Montagu, which dvising Norrington, said further announcement can expected in about a week.

LAMONT EXPANDS **ENGINEERING SIDE**

James H. Lamont and Co., a subsidiary of Lamont Holdings. the investment holding company with interests in engineering. has acquired two private com-panies, Merlin Cutting Tools, of Sheffield, and Duratool, of Warrenpoint, Co. Down. The total payment will not exceed 100,000 cash.

The acquisitions will extend the group's engineering activilles and are expected to contribute to the current year's profits. Both Merlin and Duratool, which are operating profitably. are manufacturers of reamers. precision tools for sizing and finishing boles which are used in the aeropatitical automotive and machine tool industries, at

home and abroad.

The activities of James H. a special Services. Chris Hudson (Inter- Lamont include the manufacture INCHCAPE OFFSHOOT

CHAMBERLAIN PHIPPS' £0.45M DEAL Chamberlain Phipps has

acquired Barnet Devanney Group, insurance brokers, and that part of the voting share capital of Barnet Devanney and Company not already owned by Barnet Devanney Group for an aggregate of £450,000, satisfied as to £132,000 by 330,000 shares and £318,000 cash.

RACAL

Hill Samuel Investment Management, as associates of Racal, have sold, on behalf of a discretionary investment client. 25,000 Racal at 223p.

SHIRLSTAR SELLS HALL BROS. STAKE

Shirlstar Container Transport has finally sold its 10.46 per cent stake in the voting equity of Hall Brothers Steamship Shirlstar purchased a propor tion of this holding at 140p per share and at first regarded the subsequently successful offer by Temple Finance and Investment as too low at 70p per share.

In order to avoid its holding falling helow 10 per cent and becoming subject to compulsory purchase, Shirlstar announced yesterday that it had disposed of the shares through the market to three different purchasers. The shares changed hands under rule 163 (2), the unlisted market, and it is understood that Shiristar at least achieved its buying price.

U.S. MARKET REACTS TO IMPS. RUMOURS Rumours of a new obstacle to

Imperial Group's planned take-over of Howard Johnson have ant and hotel chain's share price in New York. The shares slipped \$1½ to \$23½ on Friday and had shed another 75c by mid-session yesterday.

The price was reacting to re-ports that a wholesale brewers' association in California is to

SPAIN		
	Price	
February 1	%	+ 07
Sanco Bilbao	213	+4
Banco Central	224	
Banco Exterior	211	
Banco Hispano	210	
Barico rispano		
Banco Ind Cat	135	_
Benco Madrid	173	-2
Banco Santander	244	
Banca Urquijo	157	
Banco Vizcaya	218	+3
Banco Zaragoza	200	
Dragedos	103 5	-1.5
Espanola Zinc	62	
Fecas	56	
Gal. Preciados	36	~1
Lidera	62 2	-1
Hidrola		
1Deroisen	60 7	-0.3
Petroleos	115.5	−Q.Ş
Petroliber	73	
SogefiaaI	· 115	
Telefonica	57	+1
Ugian Flect.	82	-1

against granted Imperial last month by the Californian Department of Alcohol Beverage Control. U.S. legislation means that Imperial has to seek licence approval in each of the 40 states where HoJo is present.

Imperial's finance director, Mr. Jim McKinnon, said he understands that the association is not objecting to the Imperial takeover per se, but is arguing that the matter should be resolved by the state legislature and not by administrative judgement.

Mr. McKinnon said that the objection had not been expected. Imperial's U.S. counsel to evaluate the situation. California was the 28th State in which Imperial won approval for a licence.

GUINNESS PEAT IN WEST GERMANY

International Enzymes. holly owned subsidiary Guinness Peat Group, has taken a 50 per cent interest in P-L Biochemicals. a newly formed company in Sankt Goar, West Germany.

The new company will act as a European distribution centre for biochemical reagents manufactured by P-L Biochemicals, of Wisconsin, which owns the remaining 50 per cent interest. International Enzymes has had a close association with P-L Biochemicals, over a number of pany in the UK.

Neil Pryde, a subsidiary of and sailboards. Plans are to that negotiations were in pro-begin production at Mallow, gress.

HENLYS

Henlys has confirmed that it Inchespe, is to establish a busi- has bought R. E. Hamilton and ness in the Republic of Ireland Co., Belfast. This follows the to manufacture sails for yachts announcement on January 21

Thornwood lifts Wight stake

Thornwood Investments has increased its holding in Wight Holdings to 650,000 shares. (29.8 per cent), by the purchase of 100,000 shares from Mr. J. C. Scah, £50,000 from J. Manson and 50,000 from L. A. Stoddart, all The Stock Exchange and the City Panel on takeovers and

mergers have been advised of these transactions and no objec-In agreeing to the transactions the directors of Wight believe

Thornwood has assured vendors of the shares that it does not intend to increase its holding by market purchases or by a general offer, nor does it intend to control the board of Wight but has requested a seat on the Wight Board for Alistair Dunn, managing director of Thornwood

Thornwood is a private invest the directors of Wight believe ment holding company based in that co-operation between Wight and Thornwood will strengthen the Wight group of companies and vehicle distribution.

This result will be considered by the Wight Board.



	9-80 Low	Company	Price	Change	Gross		P/6
			- 1102	CHOURD	DIA (b)	*	P/E
99	73	Airsprung Ord,	73		6.7	9 2	4.3
-50	38	Armitage and Rhodes	38	· <u> </u>	3.8	10.0	2.5
228	185	Bardon Hill	228	_	13.8	6.1	6.7
100	85	C'ty Cars 10.7% Pref	87	_	15.3	17.6	
101	63	Deborah Ord	88	1	50	6.7	8.7
353	140	Daborah 171% CULS	350		17.5	50	
94	88	Frank Horaeli	94	=======================================	79	8.4	5.8
129	100	Frederick Parker	107	~1	12.8	12.0	8.3
156	105	George Blair	105	<u></u> .	18.5	15.7	و.ن است.
62	45	Jackson Grayp	60		6.2	8 7	3.5
153	115	James Burrough	115	5	7.2	6.3	10.1
35.4	342	Robert Jankins	245	-5	31 3	12 B	7.81
232	175	Torday Limited	223		14.3	6.4	5.8
34	183	Twiniack Ord,	221,	. = .	0.8	3.5	4.2
80	70	Twinlock 12% ULS	76	·	12.0	15.8	-
56	23	Unitock Heldings	52	-1.	2.6	6.0	11.1
84	42	Walter Aloxander	Bī			2.4	
190	136	W. S. Yeates	186	~	4.4 11.5	5.4 6.2	7.2

hich has already to do by aimost even a country. It is settler to build its strong industry designed steely designed System & designed System & the best deal post the nonlinear section of the nonlinear section in the section of the nonlinear section in the section

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ed: In has on a 500 people, and has been as feld income the foreign know-hor incontract with of Sweden, and curk. P sources believe. ould diversify to fation, and bette ectronics supply memory allow

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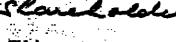
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improved. The new Dwangwa sugar project in Malawi started up in June, on schedule, and our participations in the Kenana scheme in the Sudan and the

this year, most of which was sold on the London market. Your Company continues to be a



This is your Company's seventieth operational year, and I am confident that Lonrho will continue to grow around its long-established core of

mining and agriculture. We feel that gradual expansion in the United Kingdom and the Western hemisphere is in the best long-term interest of Shareholders. This programme is now well under way, and you will see the Company progressing further from 1980 onwards, while

maintaining our investment plans in Exceptionally, profits are down this year, although the balance sheet has never been healthier. Heavy reinvestment has contributed to this and we have had trading problems in West Africa for which we have had to make provision. The SUITS Monopolies Commission hearings were

an expense and restraint throughout the year, but happily with a successful ontcome. In 1979 your Company bought the Dutton-Forshaw Group, Harrison and Sons, and 50 per cent. of the Princess Hotel Group. We also acquired the remainder of the shares of Scottish and

Universal Investments, which brought in a major holding in House of Fraser. You will find all these reviewed below. You have some splendid assets, and I hope you enjoy reading about their progress last year. If you are a new Shareholder, the 19 year graphs on pages 52 and 53 will be of interest. May I call your attention to pages 30 and 31 where the Board set out the Group's

general accounting policies which have been formulated by our Chief Accountant with our Auditors. The management and employees of the Lonrho Group-world-wide-



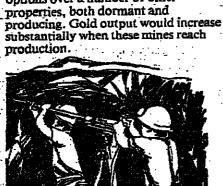
Harrods, Knightsbridge, London SW1. Mining and Refining The mining companies had a particularly good year with profits up from £9.6 million to £31 million. The main contributors have been the platinum and the gold mines, with strongly increasing prices for these metals. In the past year we produced

358,000 ounces of gold, which realised an average price of US\$261 per ounce. At the time of this review prices are still well above this level. Output of platinum group metals is up to 124,000 ounces, and production should be still higher this year. As with gold, our costs of production remain competitive and metal prices are currently well above last year's. Research into economic technology to exploit a second reef should be completed during the year; if

successful, this would enable us to expand platinum group metal production quite significantly at a reasonable capital cost. Ore reserves

are extensive. Next in importance is coal, where output increased slightly to 2.58 million tonnes of bituminous coal and 500,000 tonnes of anthracite. Copper mining, which is not large scale, produced a useful profit. The

asbestos market was dull and sales decreased to 9,700 tonnes but profit was maintained. Our exploration programme continues, with gold, coal and platinum as the principal targets. We hold several low-grade gold properties which are viable at a price of US\$250 to 300 an ounce. Obviously with prices well above this level they become profitable. Development of certain of these deposits is already in hand and we have also acquired options over a number of other



Mining for gold

Agriculture and Ranching We grew and sold 330,000 tonnes of sugar and the price per tonne

Savé estate in Benin continue. The Group's tea estates processed just under ten million pounds of tea

major producer of wattle extract for leather fanning. Our other agricultural activities include oil seed processing, careals, coffee, timber and tobacco, all of which did reasonably well. The total herd of beef cattle is still 100,000 head, after sales of 20,000



Lonrho will continue to grow around its long-established core of mining and agriculture

R.W. Rowland, Chief Executive

Young schemes started this year in Africa include a large mushroom farm in Kenya, branded "Eldoret Mushrooms", and an agricultural scheme in Zambia is producing maize, wheat, soya beans, onions, tobacco and potatoes. Beef cattle and pigs are also included in the still expanding farms, the pig unit being the largest in

Zambia. There is a large area fed by

overhead irrigation. Motors World-wide, our subsidiaries consider that during 1980 sales should

certainly exceed a hundred and fifty thousand vehicles. In the United Kingdom, the Volkswagen-Audi franchise had a good year with sales of eighty-four thousand vehicles, about 5 per cent, of the market. We have a combination of first-class management, 350 well spread dealerships, and an

exceptionally fine range of cars and commercial vehicles. The entire quota allocated to us was sold. We have represented Mercedes-Benz in Zimbabwe and Zambia for very many years. We are probably Africa's largest and most widespread motor distributors holding nearly every major

motor franchise in one country or another. We also sell motor cycles, tractors, trucks and earth movers. Within SUITS, the Company now owns the profitable motor trading group, Dutton-Forshaw, which has a national spread of 89 outlets. Chief amongst these is Jack Barclay, the world's largest and most prestigious

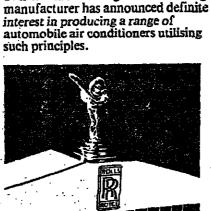
distributor of Rolls-Royce and

Bentley.



Volkswagen Polo and Audi During the year our Wankel licencee in Japan, Toyo Kogyo, has had considerable international success with the Mazda RX7, while promising

research results have been achieved in the development of a diesel engine, for which patents and patent applications exist. In the field of compressors and heat pumps the Wankel concepts have been applied with significant advantages over traditional designs and a leading



Rolls-Royce and Bentley through Jack Barclay Aircraft and Cargo Tradewinds, the cargo airline operating Boeing 707's out of Gatwick Airport, has struggled through the

year, held back by fuel prices and

contracting demand for air freight

The Lourbo Group has small

projects. The Falcon Executive jet,

which logged millions of miles, was

replaced in 1974 with a longer-range

aircraft based across Africa to service

services.

Grumman II, averaging 1,000 flying hours a year for the Company.

The Beechcraft dealership sold sixty
of their tough and popular aircraft to

customers in Africa.

Kendall Globe Limited, the travel

and freight agents based in England,

achieved its targets for the year. Engineering, Steel and Manufacturing Engineering in the United Kingdom has seen turbulent trading conditions in the last twelve months. The industry suffered a ten-week strike by transport drivers, a ten-week overtime ban and partial strike by the work force and

severe winter weather conditions. Despite this, your engineering division achieved a small profit. Firsteel (cold rolled strip), J. Hartley

and Company (metal fabricators) and Lightfoot Refrigeration experienced quiet trading conditions.

The steel-making plant at Hadfields in Sheffield and the process engineering company, Newell Dunford, were reorganised to meet market conditions. The division should

now show a good return, if demand improves. Sales of billet and bar were 205,631 tonnes. Sheer Pride, who make office furniture and filing cabinets at Weybridge, had a good year, despite the loss of the Iranian market. The three Emerald Stainless Steel companies in Eire, Malta and Leeds, large-scale manufacturers of sink tops. also traded well. The plumbing factors, Peter J. Hopkinson, produced a good result, and the Homeworthy furniture

factories expanded a profitable range

with new products.

Investments

Turnover

Central finance charges

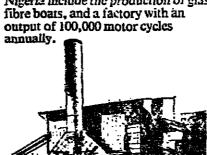
Profit before tax

Profit before tax and central finance charges

Net current assets

Net assets per share

In Africa, our engineering and manufacturing plants had a slack year, but the economic outlook is decidedly better for 1980. Plans for 1980/1981 in Nigeria include the production of glass



The new Dwangwa Sugar Factory in Malani

Textiles I am glad to report that the African mills had a fair year, after the doldrums of 1977 and 1978. At Cramlington, in the United Kingdom, Lonrho Textiles makes a prize-winning range of household polyester cotton products branded 'Accord'' which they are very actively promoting. The quality is such that they will, we hope, be the number two brand in the country in 1980/1981. The loss-making warp knitting and long staple spinning divisions were closed by the end of 1979. The factory is extremely modern and is one of the largest complexes in Europe. Union co-operation is excellent and, although

this mill was bankrupt when we took it over, I think it may now be on the road to a lasting recovery.

Taken as a whole, the textile division

27:20

12.77

492-80

175p

produced 120,217,183 metres of cloth.

Balance Sheet at 30 September 1979		
•	1979	1978 £m
Funds Employed	£m	ΣIU
Share capital	52-70	47.26
Reserves	325-78	283-16
Equity interest	378.48	330.42
Minority interests	82.16	83.55
Deferred tax	6-77	4· 9 0
	467-41	418-87
Loans	137-05	73-93
-	604-46	492-80
Assets Employed		
Fixed assets	385-84	358-18
Associates	125-87	94.65
 -		05.30

23.60

69.15

604-46

180p

Analysis of group profit for year to 30 September 1979 (including associates) Printing and publishing E8-05m Mining and retining £30-89m Agricultural equipment, machinery and motors £18-61m ———— Agriculture — £10-35m Wines, spirits General trade Export confirming. Engineering and finance, property and insurance £7-98m 28-26m 1979 1978

will be published in mid-February. Copies will be available from The Secretary, Lonrho Limited,

138 Cheapside, London, EC2V 6BL.

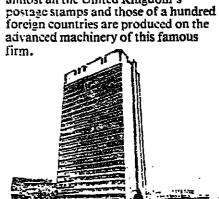
Printing and Publishing The intended move by Outrams. publishers of the 'Glasgow Herald' and Evening Times', to their new premises

in Albion Street, Glasgow, will now take place in July 1980. The 'Glasgow Herald' achieved increases in both circulation and advertising during the year, while Scottish & Universal Newspapers, the publishers of 33 weekly newspapers across Scotland, continued the re-equipment of their printing centres

and opened two new plants during a successful year. Holmes McDougall are now benefiting from their rationalisation programme of previous years. They continue as publishers, booksellers and printers, and experienced a healthy rise

in magazine circulation to 2,497,000 a

With the introduction of the new 'Sunday Standard' in Kenya, we now have five newspapers operating in Africa. Printing and publishing had a relatively poor year overseas. Since the year end, SUITS has bought Harrison and Sons, the specialist security printers. Apart from their normal business as printers, almost all the United Kingdom's

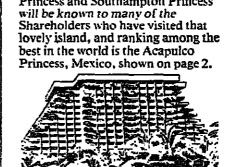


Hotels The Metropole Group in Britain had a very good year, and profits increased by 35 per cent. The luxury Metropole -Hotel in Birmingham attracted 450 conferences. Where it is economically attractive, we are expanding the hotels and upgrading their facilities, and in this we are using, wherever practicable,

the services of your Group's excellent

building company, Fassnidge Son and

The hotels in Africa, which are all sizeable and of good quality, have had a busy year. Just after the year end, we agreed with Mr. Daniel K. Ludwig to become an equal partner in his company. Princess Properties. The assets of that company are seven outstanding luxury hotels. The Bermuda Hamilton Princess and Southampton Princess



The Acapulco Princess, Mexico There are two hotels in the Bahamas. and an elegant city hotel in San Francisco, the Sir Francis Drake. There is now active joint management and a firm understanding to agree plans for a very fine hotel site in Mexico City, as well as to combine in future projects. The cost to your Company was US\$80 million, plus the

issue of five million Lonrho shares to Mr. Ludwig.

Lonrho Limited, 138 Cheapside, London EC2V 6BL The text is taken from the Chief Executive's review contained in the 1979 Report and Accounts which

£1,565-45m £1,491-37m

£102-69m

£9.05m

£93-64m

£100.70m

£16-70m

£84-00m

Property Through our wholly-owned subsidiaries, London City & Westeliff and AVP Properties, we have commercial and industrial holdings in England and France, having a book

value of £43 million. Residential properties in England in the middle price range are gradually

Wines, Spirits and Beers

The major assets in this section are the six French vineyards-Château Smith-Haut-Laffite, Chareau La Garde, Château Rausan-Segia, Château de la Tour, Château de Lamouroux and Château Olivier-the wine shippers, Louis Eschenauer of Bordeaux, and the Scottish whisky distilleries. Whyte & Mackay, which come within SUITS. The vineyards have done well, as have Louis Eschenauer, where sales were up 29 per cent. Volume sales of Whyte &

Mackay increased 20 per cent, to 1,151,478 gallens.
In the North of England the Ashe & Nephew retail chain had sales of £34 million, and opened forty-six new

outlets, bringing the total to 280 off-licences and bottle stores. The Group's twenty traditional beer breweries, which are operated in partnership with African Governments, continue to flourish. The beer is varied from country to country, to traditional recipes, but is

generally low in alcohol content and high in protein.



Export Confirming and

Broking John Holt's export confirming with West Africa had to be severely reduced, as were the activities of Lonrho Exports, to weather a difficult year of economic changes in Western Africa. However, Balfour Williamson,

our international confirming house,

was able to achieve good profits and to

expand. The volume of cotton broking was maintained in a static market, where sharp currency movements made it necessary to adopt a cautious policy. **Pipeline**

Our oil pipeline connecting Zimbabwe with the eastern coast of

Africa comes into strong focus

following the lifting of sanctions in

Zimbabwe. The pipeline has been closed since December 1965 when sanctions first came into force. To build such a pipeline now would cost £75 million and its potential, once the Umtali refinery is recommissioned, is considerable.

who were associated in the project, is not affected by the immunity given when sanctions were lifted in December, and we are vigorously

pursuing our claims.

Our action against the oil companies,

SUITS and The Monopolies Commission Our bid to acquire the remaining 70 per cent. of SUITS' shares was referred to the United Kingdom Monopolies and Mergers Commission in May 1978, on the grounds that SUITS, which is a major Scottish company, would be adversely affected by the amalgamation with Lonrho. After full and costly investigations

lasting ten months, which included

management and financial position,

Scottish shareholders in particular

the Commission gave its complete

the detailed examination of our

approval to the merger.

will be pleased to know that SUITS retains, and will keep, its direction and distinctive Scottish character and has already expanded to employ more than 10,000 people, with a turnover well in excess of £300 million. With the acquisition of SUITS, the Group's total stake in the House of Fraser department store chain has risen to 29.99 per cent. There are no other

major shareholders. Apart from

Harrods, the 110-strong chain includes

Barkers, D. H. Evans, Dickins & Jones, the Army & Navy Stores. Kendal Milne, Rackhams, Chiesmans

Conclusion

and Dingles.

Meeting. :

I know you will want to join all members of the Board in expressing your appreciation of the hard work and initiative of those who work for Lonrho in the United Kingdom and overseas. I want to mention the many people who work for the Company in Zimbabwe, and whose welfare is our serious concern. We would like to thank Shareholders for their confidence in us through the year. It was particularly kind of so many of you to mail your proxies in support of the Board at our last Annual General

The seventy-first Annual General Meeting of Lonrho Limited will be held at the Great Room, Grosvenor

House, Park Lane, London, W.1. on Friday 14th March 1980, at 12 noon.

head this year.

Hillards moves ahead to £1.3m in first 28 weeks

For the 28 weeks ended November 10, 1979, Hillards, West Yorkshire based supermarkets operator, reports turn-over up from £53.82m to £56.53m and pre-tax profits of £1.34m, against £1.18m in the same period of 1977-78. The directors point out that

the directors point out that the previous year's figures included £8.1m turnover and £275,000 trading loss of Capital Discount stores which were acquired in June 1978 and ceased trading in March last

First half profits are after interest paid of £85,000 (£4,000 credit). Tax takes £55,000 The interim dividend is effectively raised from 1p to 1.25p—the previous total was equal to 3.5p from pre-tax profits

the first half have been opened so far this year. Another store is to open by the end of the current year and a site has been bought for a new store to be built and opened by Autumn

Strioping Capital Discount out of last year's figures, sales at Billards are up 18 per cent, and pre-tax profits down 8 per cent. One factor depressing profits is pre-opening expenditure at three stores—the comamount, though one outside estimale puls its at £300,000. Hillards has also become a net The Reep Investment Trust paver of interest, with the new has received valid applications

Dated: January 15, 1980

accrued interest thereon to said date, as follows:

4367

The following companies have notified dates of Board meetings to the Stock: Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not system or finish and the sub-divisions shown below are based mainly on last year's pimetable.

TODAY

Pentland

pays 6.28p

THE NET TOTAL dividend of Pentland Investment Trust is being stepped up from 4.55p to 6.28p for the 1979 year, with a

final of 3.95p plus a special payment of 0.83p.

At midway, the directors fore-cast a final of net less than 3.5p.

Net revenue for the year advanced from £840,161 to £1.14m.

Unilever totalling £144,773.
Gross revenue amounted to £1.94m (£1.49m). Tax took

Earnings per 25p share are shown to have risen from 4.61p to 5.51p, excluding special

JACOBS SKATES

IN RECEIVERSHIP

Mr. Guy Parsons and Mr.

Richard Agutter have been appointed joint receivers and managers of Jacobs Roller Skates, which will continue to trade until its position is

The joint receivers will be seeking purchasers for the busi-

special dividends from Shell, BP and

Trust

including

Interims:—Crouch Group, Steinberg, UnitechFinals:—Aaronson Brothers, English and New York Trust.
PUTURE DATES

Beaumont Properties Fab. 7
Drayton Commercial Investment Fab. 7
Drayton Far Eastern Fab. 7
Prudential Corporation Mar. 26
U.S. Debenture Corporation ... Fab. 20
Witter Thomas Fab. 13

stores making demands on the £4.4m which it kept on lucrative short-term deposit last year. The company says it maintained net margins in the first half around last year's 3.2 per cent. But it is now responding to the built and opened by Autumn 1981.

The board is confident that the benefits of the new stores will be reflected in the group's progress in the years ahead.

Comment

Strioping Capital Discount out of last year's figures, sales at a prospective yield of 4 per size of the price-cutting initiated on its home territory by Asda, which could bring that margin down to around 2.5 per cent by the year end. Analysis expected a full-year out-turn of £3.1m, giving a prospective p/e of 11.8 at 151p down 9p. A similar increase in final dividend gives a prospective yield of 4 per a prospective yield of 4 per cent. With price wars seemingly a recurrent feature of the food retail scene the p/e at three

to discount future growth. **KEEP INVESTMENT**

pnints over sector average looks

NOTICE OF REDEMPTION

To the Holders of

Plywood-Champion International

Finance Company

51/4% Convertible Guaranteed Debentures due 1983

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1968 providing for the above Debentures, \$216,000 principal amount of said Debentures have been selected for redemption on February 15, 1980 (the "Redemption Date"), through operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with

Those outstanding Debentures of \$1,000 each of prefix "M" bearing

numbers ending in the following two digits:

5067

On February 15, 1980, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender

thereof with all coupons appertaining thereto maturing after the Redemption Date, at the option of the holder either (2) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices

of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris; Banca Vonwiller & C. S.p.A. in Milan; Banque Bruxelles Lambert S.A. in Brussels; and Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices

referred to in (b) above will be made by check drawn on a bank in New York City or by transfer

On and after February 15, 1980 interest shall cease to accrue on the Debentures herein designated

Debentures are presently convertible into Common Stock of Champion International Corporation

(formerly U.S. Plywood-Champion Papers Inc.), at the offices mentioned above, at the rate of 37.38 shares of such Common Stock for each \$1,000 principal amount of Debentures.

The right to convert any of the above Debentures called for redemption will expire at the close of

The following Debentures previously called for redemption have not as yet been presented for

DEBENTURES OF \$1,000 EACH

to a dollar account maintained by the payee with a bank in New York City.

Coupons due February 15, 1980 should be detached and collected in the usual manner.

5167

22 30 52 54 '61

And outstanding Debentures of prefix "M" hearing the following numbers:

4567

Marley plans more purchases

following its offer for sale of 10m 5p shares. THERE IS ample scope and Owing to a typographical error, the total applications figure shown in Saturday's report development at Maries which will continue to be the mainspring of the group's prosperity, Mr. O. A. Aisher, chairman, says in his annual statement.

However, future policy is to accelerate total growth by in-corporating a programme of prudent buying of suitable com-panies in the UK and abroad. During the past year, the group made a number of investments in companies in Brazil, South Africa, France and the U.S., as well as the UK. Total investments in these

companies amounted to 17m, "a modest enough figure but one which we expect to exceed many times over in the years to come." the chairman says.

During, the 1970s, turnover grew at a compound annual rate

grew at a compound annual rate of 15 per cent, pre-tax profits at 21 per cent, earnings per share at 26 per cent and capital employed at 17 per cent. To match this growth in the 1980s, the chairman says, the group realises that it must devote a substantial part of its financial services to investment in new companies. companies.

Taxable profits rose 19 per cent to a record £22.07m (£18.62m) in the year to October 31, 1979, as reported on Decem-ber 13. The net total dividend is

16fted 43 per cent to 4p (2.78098p).
On a CCA basis, the pre-tax surplus is reduced to £14.74m, compared with £14.62m last time. At balance date, group fixed assers were up from £88.37m to £104.53m, while net current assets totalled £59.04m (£42.51m). Borrowed money amounted to £51.24m (£31.92m).

Future capital expenditure includes £10.02m (£4.88m) in the UK, of which £2.88m (£1.77m) has been contracted; and overseas unchanged at £4.04m, of which £1.05m (£3.03m) has been

Meeting, Sevenoaks, March 5.

Whitworth Electric static

A MODEST increase in profits from £164,019 to £169,379 for the six months to September 30, 1979 is reported by Whitworth Electric (Holdings), wholesale electrical distributor, on turnover higher at £5.44m, against £4.9m. Tax charged was £88,077 (£85.290) and stated earnings per 5n share of this close company are 2.05n against 1.99p.

In the previous year, pre-tax rofits were £406.000 (£266.000) from hirnover of £10.58m (£9.06m).

cippings & TWIS-FRASER

Glddings and Lewis-Fraser advises that £512,675 of its 44 per cent convertible unsecured loan stock 1978/89 is being con-

The company has already purchased for cancellation £477,200 of stock, leaving £1,010,125 outstanding.

King & Shaxson

Limited 52 Combil, EC3 3PD Gilt-Edged Portfolio Management Service Index 4.2.80

Offer Bid Offer Bid Partiolia i Income Portfolio II Capital

Union Corporation Group U.C. Investments Limited

(Incorporated in the Republic of South Africa)

Plywood-Champion International Finance Company

PRELIMINARY ANNOUNCEMENT

The income statement for the year ended 31	st Decemb	er, 1979.
shows:		1
•	197 9	1978
•	R000	R000 i
Income from investments	14,679	9.864
Surplus on realisation of investments	2,877	585
Partian of provision for writing down		}
investments no longer required Recoupment of amounts previously written	300	1,700
off mineral rights and prospecting		
expenditure	52	- }
	17,908	12,149
From which must be deducted:		[
Directors' Fees	30	. 30 f
interest paid on unsecured loan	_	17 1
Other expenditure—net	96	24
	126	71
		!
Profit before taxation	17,782	12,078
Taxation	7.766	()
	7,100	
PROFIT AFTER TAXATION	16.616	12,078
Retained surplus brought forward ,	344	356
The second of th		
AVAILABLE	16,960	12,434
		—— l
Earnings per share (cents)	85.2	61.9

M- 924 2072 2151 3024 4390 4565 4851 5091

The Balance Sheet at 31st December, 1979, shows:-Share capital and reserves 37,144 Mineral rights and prospecting expenditure. at cost, less recoupments and amounts written off 38,220 34,252 2,725 Debtors and Cash Assets Loan Portion of Taxation 42.697 Deduct: Current Liabilities 42,060 37,144

The Directors have declared a final dividend for 1979 of 43 cents South African Currency per share which, together with the interim dividend of 17 cents per share declared in July last.

makes a total distribution for the year of 60 cents per share absorbing R11,700,000 (1978%R8,190,000).

DECLARATION OF DIVIDEND A Final Dividend No. 33 of A3 cents per share in respect of the year ended 31st December, 1979, (making a total of 60 cents per share for the year) has been declared payable to members registered in the books of the Company at the close of business on 22nd February, 1980. The dividend is payable in South African currency. Registered Members with payment addresses in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Registered Wembers with payment in South African currency. Registered Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency: the date for determining the rate of exchange at which

London Transfer Office

6 Greencoat Place, London SWIP IPL

4th February, 1980,

55

Hill Samuel Registrars Limited.

South African currency will be converted into United Kingdom currency will be 11th March, 1980. Such Members may, however, elect to be paid in South African currency provided that any such request is received either at the Registered Office or the London Transfer Office on or before 22nd February, 1980. Dividend warrants will be posted from the Registered Office and the London Transfer Office on or about 2nd April, 1980. The register of members of the Company will be closed from 25th February, 1980, to 29th February, 1980, inclusive. The dividend is payable subject to conditions which can be The dividend is payable subject to conditions which can be inspected at the Registered Office or at the London Transfer Office of the Company.

> per pro UNION CORPORATION (U.K.) LIMITED. London Secretaries, L. J. Baines. Princes House, 95 Gresham Street, London EC2V 7BS,

Inco's earnings stride forward in 1979

BY KENNETH MARSTON, MINING EDITOR

MINING NEWS

CANADA'S Inco, the world's modestly increased contribution the Sudbury strike and fell by leading producers of nickel, has cannot the second reason is the 43 per cent to 129m ib. Inco's nickel production last year fell rise in fourth quarter 1979 earnings and has made a confident of stocks. The latter was worth start to 1980 by lifting the regular quarterly dividend rate to 15 U.S. cents (6.6p) from 10 however, earnings would have been considerably greater were 280m ib at end-1978. rise in fourth quarter 1979 earnings and has made a confident start to 1980 by lifting the regular quarterly dividend rate to 15 U.S. cents (6.6p) from 10

The group's fourth quarter earnings have advanced to U.S.\$69.2m to make a total for 1979 of \$141.7m, equal to \$1.58 per share, compared with \$77.8m, or 77 cents a share, in 1978. The past year's value of sales, however, has risen less dramatically to \$2,49bn from \$2,08bn.

There are two main reasons for the big recovery in the past year's earnings. The first is the copper and formed metal products — the ESB battery subsidiary made a relatively

it not for the strike which hit the Sudbury. Ontario, operations at a cost of \$75.5m. This stoppage cost \$61.5m in 1978 and it lasted from September 16, 1978, until June 3, 1979.

Also on the debit side were exchange losses of \$12.7m while there was a net reduction of \$88.1m in earnings which was attributable to the Indonesian and Guatemalan projects, principally as a result of interest

Group nickel sales last year rose by 5 per cent to 394m lb while copper sales were hit by

As far as metal prices are concerned, Inco received an average for its nickel products last year of \$2.43 per pound, compared with \$1.98 in 1978 while the average copper price was 91 cents per pound com-pared with 61 cents in 1978. At the moment nickel and

copper prices are considerably higher—as are those of the group's important by-product precious metals—and with the prospect of increased sales of copper this year Inco's confi-dence in raising the quarterly

Making
Directors' fees
Interest on una. loon
Other expend. (net)
Profit before tax

Profit after tex.

Earnings per share

Arbuthn

Brown S

Antony

■ Charterh

Auaitable

Falconbridge nickel pushes fulltime profit to C\$130m

CANADA'S Falconbridge Nickel has closed 1979 with a flourish. Fourth quarter earnings amount to C\$48.1m (£18.3m) and bring the year's total to C\$130.6m, equivalent to CS25.03 per share. This compares with only CS5.8m, or 22 cents, in the depressed conditions of 1978.

producers of base metals, the sharp recovery in fortunes at Falconbridge has followed the revival in metal prices which remain very firm. At the same time the group has enjoyed higher sales of nickel and copper. Its revenue from all sources last year expanded to almost CS829m from CS521m.

The 50.2 per cent-controlled Falconbridge Copper subsidiary made a record profit last year of C346.5m compared with C515.1m in 1978 while the 19.16 per sent-owned gold and silver-producing Giant Yellowknife earned CSS.3m against CS3.7m. Falconbridge Nickel also holds 48.4 per cent of the silver-lead

producing United Keno Hill, which raised 1979 earnings to a record CS20.7m from CS3.8m. The bridge Nickel is McIntyre Mines which has a stake of 37 per cent.

White shares battle ebbs

THE White Industries board has claimed control of 51 per cent of the equity capital, dampening the frenzied buying on Australian exchanges which last week took the share price up from ASS to AS30.50, reports James Forth from Sydney. The board revealed that the White family had received an approach from Bond Corporation to buy its 20 per cent stake, which was rejected. The family also rejected an offer to sell it a parcel of shares com-prising about 35 per cent of the

capital The claim of 51 per cent control came after a weekend's defensive action which involved Mitsubishi of Japan expanding its 8.8 per cent stake, and the winning of shareholders' agreement not to sell their stock for at least six months, or, if they did wish to sell, to grant an option of first refusal to Mr. G. B. White, the chairman. On the market yesterday. White shares were first marked down to A\$13, but they later recovered to over A\$20 and

closed at AS17.50 (852p). **ROUND-UP**

Lourho says that development is already in hand at some of its low grade gold deposits which are viable at bullion prices of \$250 to \$300 per ounce and options have been acquired over others. Gold production should increase substantially when these mines reach production, says Lonrho. Mining and refining notably of platinum, produced profits of £31m for the group in the year to September 30, compared with only £9.6m in 1977-78. The group's total pre-tax profit for the past year amounted

compared with ASS.96m a year R127m at end-1978. The endago. A third interim for the 1979 net asset value of the
current year to next June is shares doubled from that of a
declared of 12.5 cents (6.1p) year ago to 1,327 cents (713p).
making 24.5 cents so far. The
company is controlled by
Western Mining. Investment income ... Surplus on malisation of investments ... inv. prov. not needed Recoupment of prosp. Sunshine plans

for silver. certificate

SUNSHINE MINING'S plans to raise cash against its silver holdings moved a stage further yesterday. The company, one of the major U.S. silver producers, said it had filed details of a proposed public offering of \$50m (121.9m) of silver certificates with the Securities Exchange Commission. Commission.

The move came shortly after the disclosure that a group of Arab investors had built up a stake of 26 per cent in Sunshine. The investors exercised an option to buy 500,000 shares on top of 1m shares bought last All the shares cost \$21.25 each

putting a total value on the deal of \$32.4m (£14.2m).

The issue of the silver certificates will be managed by an underwriting group led by Drexel Burnham Lambert and is expected to take place in about four weeks.

The offering is for certificates due on March 1, 1995. The principal amount of each certificate will be whichever is the greater of \$1,000 or the price of a certain number of troy ounces of silver bullion. Sunshine said. No further details were avail-

The certificates will be secured against a percentage of the annual production from Sunpany has 57 per cent of the Sunshine mine in Idaho.

Sunshine's idea of silverbacked bonds has been current for some time, but it had originally been thought that the first offerings would be on a private basis.

UC Investments boosts final

THE General Mining-Union Corporation group's gold and platinum investment subsidiary, UC Investments, is raising its final dividend to 43 cents (23p) to make a total for 1979 of 60 cents against 42 cents for the previous

This reflects a rise in earnings to R16.6m (£8.9m) from R12.1m in 1978. The main factor has been, of course, the flow of higher dividends from the group's gold and platinum investments, a trend which looks like continuing in the cur-

rent year.

The higher profit has been achieved despite the much smaller recoupment in the past year of amounts previously written of investments. This has offset the effects of the latest rise in share realisation profits to £100.7m.

* * * * * payable on them.

Australia's gold producing Central Norseman reports a half-year profit of A\$10.49m (£5.11m) was R257.3m compared with

1978

Business: Plant Hire Specialists

INTERIM STATEMENT HALF YEAR TO 30th SEPTEMBER

5,374,271 Group Turnover 6,761,865 Unaudited Profit 2.066,800 1.598,856 before Taxation Corporation Tax 52% 1,074,736 831,405 Group Profit . 992,064 767,451 after Tax Cost of Dividend 231,000 176,880 (after waivers) Net The Directors have declared an Interim Dividend of 5.25p. per share which together with the Associated Tax Creditis

equivalent to 7.5p per share (1978 6.6p per share). The

Dividend is payable to those shareholders on the Register

at the 21st February, 1980 and will be paid on the 5th March, 1980. Registered Office-Prospect Road, Starbeck, Harrogate, North Yorkshire.

Phelps: iron find in Transvaal

PHELPS DODGE, the group, has outlined a major iron ore deposit near Pieters-burg in South Africa's northern

burg in South Africa's northern Transvaal, reports Jim Jones from Johannesburg.

"There are large deposits of iron ore which can be upgraded to high grade concentrates," said Dr. Pat Ryan, the Pholps managing director in South Africa, yesterday.

Although no precise details on the deposit are available from Pholps, unofficially it is apparent that several hundred million tonnes of ore seem to be available for openesst mining.

available for opencast mining with further significant reserves available for underground available operations.

operations.

Again, unofficially, the Pietersburg taconile ore is of better quality than the ore, with 64 per cent from grade, mined in the important Sishen-Postmasburg area, which provides the bulk of South Africa's exports.

Further, the Pietersburg ore is reported to cantain less impurities than the Sishen-Postmasburg material, while it can be readily pelletised for feeding into blast furnaces.

But development plans for the deposit remain vague. "It's

the deposit remain vague. "It's all up in the air. We just see it as a long-term proposition, said Dr. Ryan said Dr. Ryan.
It is clear, however, that
development depends on an
improvement in world steel
markets. One plan apparanty being examined is the establishment of a blast furnace

ment of a blast interest reduction operation at Pieters-burg to produce sponge from. This could then be converted to steel at any one of South Africa's steel-making centres. The deposit is a substantial addition to Phelps South African interests. It has retained a 49 per cent interest in the development being financed by Gold Fields of South Africa at '... Black Mountain copper-lead-zinc-silver mine in the northern Cape, while its Chemspar unit operates a small fluorspar mine in western Transvaal.

12,434

16.960

	BASE LEND			TES	:
	A.B.N. Bank 17 %			Mahon	
	Allied Irish Bank 17 %		Hambros	Bank	17 5
	Amro Bank 17 %	•	Hill Samu	ei	\$17.9
	American Express Bk. 17 %		C. Hoare	& Co	†17 °
	Henry Ansbacher 17 %		Hongkong	& Shangha	ai 17 4
	A P Bank Ltd 17 %		Industrial	BK. 05 Sc0	1 174
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	Duncan Lawrie 17 %		Yorkshire	Bank	17 9
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EUROPEAN OPTIONS EXCHANGE F.22.50, 75 F.25, 405 F.27.50; 116 F.25; — F.27.50; — F.30; — F.32.50; —

2.50 F.119 104 3 213 0.80 3 10.90 6 6 0.40 --28 15.50 11.50 378,92378 F.159,30 215 114 2 2 5 118 53, 599

TOTAL VOLUME IN CONTRACTS

North Sea

oil boosts

Chemicals

ALLIED CHEMICAL, the

seventh largest chemical

company in the U.S., with

large energy interests, more

than doubled its fourth quar-

cent on the previous year.

15 per cent on the \$152.7m or

\$5.10 carned in 1978. How-

ever, these carnings were reduced by several write-offs on

sales of unprofitable busi-

pesses, mainly coke and coal.

day that it has filed with the

Securities and Exchange Commission for an offering of

4m shares of common stock.

The offering is to be under-

written by a group managed by Goldman Sachs, Lazard

Freres and Lehman Brothers

Schlitz loses

\$50m after

brewery sale

By Our New York Staff

SCHLITZ, the ailing number three brewer, yesterday reported a \$50m loss for 1979,

but said that much of the

deficit resulted from the sale

of a brewery to improve the

were \$1.04bn, down from

A write-off of \$39.5m on the

As a

brewery sale was included in

that period compared with a

Sales for the period were

\$224.3m, down from \$225.5m.

Syracuse, New York, to Anheuser-Busch, the largest

U.S. brewer, for \$100m pay-

able in three instalments over

Mr. Daniel McKelthan, the Schlitz chairman, said that the

sale should help the company

to improve its operating re-

sults by raising capacity utilisation. Schlitz would also

have the proceeds from the

Mr. McKeithan claimed,

though, that the company's

financial position was strong: net working capital increased

by \$47.1m in 1979 and long-

term debt was cut by \$9.3m, and now stood at \$131m.

it to consider merging with

other companies. But although

talks went on sporadically last

year, serious negotiations are understood to have been

halted until the company can

its commercial

Schlitz's difficulties have led

sale to use in its operations.

Schlitz sold its brewery in

the fourth quarter. result. Schlitz lost \$44.8

quarter of 1978.

two years.

improve strength.

The loss compared with a profit of \$12m, or 41 cents a share, in 1978. Sales for 1979

company's basic operations.

Allied also revealed vester-

Allied

Sea oil.

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NORTH AMERICAN NEWS

GM offers \$500 rebate to offload 1979 models

"BY DAYID LASCELLES IN NEW YORK

deposit near particles and Africa's long onesburg. De A BID to get rid of thou-motion a "treasure hunt" her the timing also appeared to offer a rebate of \$500 per vehicle to anyone who buys between now and March 10.

. The offer is designed specifically to offload GM's larger cars and 25,000 vans are cov- the announcement from Detroit models, which have become less popular with the recent sharp rise in the price of petrol. Chevrolets, Pontiacs, Buicks and Oldmobiles. The offer also covers Chevy and GMC vans.

However, these models are by no means unicersally available. GR is calling its special pro- small, fuel-ethcient cars. But from 444,314.

sands of unseld 1979 cars and cause purchasers will have to have been influenced by Chrystrucks. General Motors is to seek out cars carrying the ler's announcement 10 days gan in the U.S. media yester-GM says about 50,000 unsold

> ered by the deal, which means that the U.S. car industry procould cost the company about \$37.5m if all these cars are sold. The promotional offer is the first GM has used since car sales last went through the 772,587 in 1979. Truck and bus doldrums in 1975, though, ironically, at that time the rebate

special offer. A promotional ago of a major promotion camcampaign along those lines be- paign which includes unprecedented money back and free ser-

The GM offer coincided with duced 32 per cent fewer cars in January than in the same month last year. The 1980 total was 522,118, compared with output was 166.838, down from was designed to spur sales of any car output was 377,055 down

BASF buys Fritzsche Dodge

indering indering in the present or is of the sam the ore is of the sam the ore will iron grade. When provide the provide outh Africa's outh Contain the outh the present of the saddiffurnated the blast furnated velopment. Plant if remarks of the saddiffurnated velopment. velopmen: plan if remain value it the air. We may BASE, the large diversified impact of the weak dollar on its both BASE's interest in the West German chemicals concern, has announced the takeover of Fritzsche, Dodge and Olcott of New York in the latest phase of its strategy to build up production facilities in the U.S.

One plan speng Fritzsche, Dodge and Olcott specialises in scent and flavouradditives—thus complementing BASP's activities in this field -and has production units in the U.S., Brasil and Mexico. It has a turnover of about \$50m and employs some 850 workers. sized U.S. companies recently, side Europe, compared to 14 per finally approved, with a view to maintaining cent in 1978. market presence, reducing the

large stake in the vehicle paint section of Cook Paint and Varnish Company to give it access tive coatings.

overseas and the U.S. is an anti-trust complications.

The latest acquisition reflects to name the cost of the deal,

DM-priced exports and of keep- expansion of special product ing down production and labour operations, in particular, fine costs, which are high in the chemicals for the pharma-German chemical industry.

In line with this market industries, and also the comstrategy. BASP last year took a pany's wish to broaden its base in Latin America as well as the

EASF, to the U.S. market for automa-interests ranging from chemical related concerns to the audiomajor German video market, has been focusing chemical concerns have been on the acquisition of smaller stepping up their investment companies in order to avoid BASF has been searching for 17 per cent of BASF's total from the Fritzsche deal, which and acquiring small to medium investment was allocated out none the less still has to be executives declined yesterday

Tax hits Century-Fox earnings

BY OUR FINANCIAL STAFF

rate brought reduced earnings Corporation. for 1979 at Twentieth Century-Fox Film, despite a sharp upturn in the final quarter. For the full year earnings gained 16 per cent. slipped from \$58.4m to \$57.3m,

chairman, said that earnings markets.

for the fourth quarter, which

Licensing of feature films to improved earnings from film non-theatrical

AN INCREASE in effective tax the inclusion of Pebble Beach markets also Diluted earnings for the final profits.

\$1.24 a share. Sales, at \$182.2m

The company commented that

jumped by 54- per cent to television contributed \$20.6m \$10.8m, were boosted by to net earnings in 1979. The licensing of processing operations, inter-feature films to cable, pay national theatres and also by television and syndicated slightly.

contribution important Licensing of feature films

to networks will continue to be an important factor in 1980. slipped from \$58.4m to \$57.5m, here company feature film reported improved results a share against \$2.07 a share, showings declined by comparing the syndication of A gain of 8.3 per cent brought son with the previous year the film "Mash" and prime-sales to \$678.4m.

The company from feature film reported improved results a share against \$2.07 a share, showings declined by comparing the film "Mash" and prime-sales to \$678.4m. television considerably in 1979 because of improved margins.

International theatres had improved results, while soft drink bottling and television broadcasting figures were down

ERC committee dissolved

HOUSTON-American General Insurance and Bache Group, the two members of the ERC Shareholders' Protective Committee, have decided to pursue their interest as shareholders of ERC independent of the Committee. Each member of the Committee was advised by the State of Kansas Insurance Department that the committee must file an application seeking approval from the Kansas Insurance Commissioner to continue to act as a Committee.

: While American General and Bache do not agree with the staff of the Kansas Insurance Department they agreed to dis-solve the Committee rather than take action in opposition to an insurance regulatory agency.

A spokesman for American General emphasised that American General continued to be concerned that the management of ERC has not acted in the best interest of shareholders.

| 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 |

48.63m 3.97

337m 278m 48.63m 41.78m 3.97 13.41

AMERICAN QUARTERLIES

DC-10 grounding blamed for Continental Air loss

THE GROUNDING of all DC-10 aircraft for 37 days last summer in the final quarter, compared by the Federal Aviation with a loss of \$314,000 in the Authority is blamed by Continental Air Lines for a loss of loss increased from 2 cents to \$13.2m for 1979. Mr. Robert F. 70 cents. Revenue continued to for the groundings, the airline \$205.2m. would have been in profit. In In ad 1978, Continental earned \$49.2m. At share level, the 1979 loss

\$774.7m to \$927.6m.

Six; the chairman, said that but increase, to \$245.2m from In addition to the DC-10s grounding, the company referred

A loss of \$10.7m was recorded

to increased fuel costs as a was 87 cents, compared with a factor in last year's loss. The profit of \$3.29 last time rise from 40 cents a gallon to Revenues, however, rose from 73.5 cents cost the company an additional \$69m.

Slump in steel forecast

Roderick, U.S. Steel Corporation with 100m tons in 1979. chairman, has predicted a drop

COOPER INDUSTRIES

FEDERAL SIGNAL

Revenue 1.39bn Net profits 111.79m Net per share 7.35

IDEAL BASIC INDUSTRIES

DETROIT-Mr. David be shipped in 1980, compared

chairman, has predicted a drop of 5 to 6 per cent in steel consumption. He attributed shipments this year from the some of the fall in shipments 1979 level. He said that be to lower car and truck sales. tween 90m and 92m tons will Reuter

Mr. Roderick also forecasted

Net profits Nat per share Year Rovanue Nat profits Not per share 13.5m 1.03

EUROBONDS

CLEVELAND-CLIFFS IROM

SDR issue from Svenska Handelsbanken

21.5m 1.66m 0.51

31.1m 2.02m 0.62

BY OUR EUROMARKETS STAFF

sübordinated international bond ever by a Swedish bank. The liend, to be denominated in Special Drawing Rights, will rank equally with bank deposits the international bond market york market only weakened was issued by Swedish Invest- morale later in the day.

of currencies, though this is not the same as the SDR basket.

but will not involve the bank in characteristics in that proceeds will be directly onient to bank customers.

The bond is to raise SDR 15m (supply for five years at a coupon of 10; per cent. The spectrum of Western investors and it is interesting that it is interesting that it is interesting the Kuwaiti International the investment Company which is investment Company which is incorporated by the good reception given to the DM 200m issue for Australia, carries an indicated coupon of the Swedish incorporated by Swedish Investment Company which is incorporated by the good reception given to the DM 200m issue for Australia, carries an indicated coupon of the Swedish incorporated by the good reception given to the DM 200m issue for Australia, carries an indicated coupon of the Swedish incorporated by the good reception given to the DM 200m issue for Australia, carries an indicated coupon of the Swedish incorporated by the good reception given to the DM 200m issue for Australia, carries an indicated coupon of the Swedish incorporated by the good reception given to the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia, carries an indicated coupon of the DM 200m issue for Australia.

SVENSKA Handelsbanken of currency risk involved in bonds continued to fall yester which some claim is already by Sweden is issuing the first non-bororwing SDRs. The Swedish day, showing losses of 1-1 a oversubscribed, is attracting subordinated international bond knone is itself linked to a basket point on the day with some bond strong investor interest. dealers saying there was clear evidence of institutional investors selling paper. The

tially unchanged in the DM secondary bond market. In the Swiss Franc sector, secondary market bond market

bond prices shed 1 of a point.

A testing time for the banks

Doubts are being voiced regarding the outlook for domestic and international earnings of the top U.S. banks, reports STEWART FLEMING, from New York. However, few analysts expect a repetiton of the 1975 banking crisis

IN THE five years since real estate losses running into billions of dollars and a deep recession nunctured the complacency of the American banking industry, the nation's banks have been vigorously rebuilding their profitability.

ter earnings, due partly to But now, after three years of sharply higher sales of North sustained profits growth which culminated with a 20 per cent earnings gain last year, follow-Profils were \$67.4m or \$2.20 ing a 28 per cent rise in 1978. per share, up 128 per cent on there are signs that conditions the previous year's \$29.6m or are likely to get tougher for the \$1.04. Sales during the quar-U.S. banks

ter were \$1.3bn up 67 per With the re-emergence of another. enormous current account surplus by the Organisa-Allied's 20 per cent worktion of Petroleum Exporting ing interest in the Piper and Claymore fields in the North Countries threatening create financing problems for Sea was a major factor in these gains, though Allied also attributed them to higher of the more advanced developing equatries which have sales of gas from the Babak field in Indonesia as well as been borrowing from banks, and the U.S. economy weakening, domestic oil and gas product 1980 could provide the first serious test of the wisdom of iending decisions the banks have Allied's full year earnings from continuing operations were \$175.0m or \$5.95. up

made during the past economic upswing. How the banks survive this test has important worldwide implications. Since 1974, the U.S. banks, through the dominunt role they have played in re-cycling OPEC's current account surplus, have become on even more vital element of the world's financial system. Should they now run into serious problems with their existing loan portfolias, the challenge posed by re-cycling the re-emerging OPEC surplus -which could hit \$100bn this rose. year-will be that much more formidable.

Reluctance

It is not hard to detect some reluctance amongst U.S. bankers to step in and shoulder the new burden with enthusiasm. Perhaps the main factor mak-

ing for caution is the steady erosion of interest rates margins hetween their cost of funds and their lending rates on loans to developing countries. The widening of these spreads which may now be starting will, if it continues. revive bankers enthusiasm syndicated redits.

But the unstable political situation in many countries, financial problems likely to face C

encourage greater selectivity in deciding how to lend and to

But another important factor which could influence lending decisions will be profitability.

It is already clear that by the fourth quarter of last year, a marked slowing in the profits growth of the big U.S. money centre banks was under way. The slowdown stemmed in part from the impact of the Federal Reserve Board's October antiinflation package which sent

U.S. mierest rates soaring. The rise in interest rates hit fourth quarter earnings in two important ways. Initially, there was a marked slowdown in the pace of business loan demand which had been strong in the third quarter. In addi-tion, the rise in the cost of funds hetween these costs and the rate banks could charge to borrowers.

The abrupt change in the interest rate outlook may also have hit banks in other ways, The most dramatic example of the problems that can arise was provided by the fourth quarter results of First National Bank of Chicago, whose carnings plunged 50 per cent to \$17.5m. Earlier in the year the bank had taken a view that rates would fall rather than rise and had expanded its fixed rate loan portfolio. This proved to be an expensive mistake when the cost of financing those loans

Another surprisingly carnings National report came from Bank of North America, the recently acquired National Westminster Bank Business loon volume is ex-subsidiary, which reported a pected to be sluggish given the

some potential borrowers and profits decline of 8 per cent to weakness of the economy. regulatory or internal lending \$17.02m NatWest attributed the However, it seems unlimits, will no doubt tend to result to the adverse impact of that there will be a repe U.S. interest rate movements on the final quarter of the year, as well as to substantially in-

Upward surge

No other leading money centre bank seems to have been so badly caught by the upward surge in rates. But as pointed out by the Bank of America, the largest U.S. bank, recent growth has been increasingly dependent on a higher volume of assets to overcome declining margins. This comment seems to apply generally. While earnings for the first 100 major U.S. banks to report their last quarter rose by almost 20 per cent for the year, according to a bank stock analyst at M. A. Schapiro, the gain for the fourth quarter had slowed to 13 per cent.

In the current year, it is widely expected that asset growth will slow significantly, particularly in the U.S., while the outlook for lending margins is uncertain.

So far as demand for loans is concerned, it is expected that consumer loan demand will be squeezed by shrinking real incomes, the already historically high debt burden consumers have shouldered, and the fact that high borrowing costs should discourage consumer borrowing, particularly in the mortgage market. The housing industry is already under pressure from high interest roles.

1975, when corporations actu-NBNA's fixed loan book during ally reduced their borrowing. Many bank analysts are predicting that earnings will grow creased payroll costs introduced immediately after the takeover.

by no more than 10 per cent this year. Such forecasts tend to assume some easing in shortterm U.S. interest rates as the year progresses.

However, it seems unlikely

But predicting interest rates is no easier this year than it was last. Much could go wrong with these quite optimistic earnings predictions.

If the outlook for the domestic earnings of the banks is difficult to assess, the same applies with even greater force to the international market There is now considerable uncertainty about how big a role commercial banks will be will-

ing to play in recycling to such countries the OPEC current account surplus. Mr. Willard Butcher, of Chase Manhattan. says that more official activity will be needed in this task now than in the wake of the oil price rises of 1974. One view, however, is that

assuming that rates of return on syndicated loans do become more attractive, the banks' enthusiasm for such business will rapidly revive and shareholders could again see rapid growth of overseas assets and widening spreads adding to banks' overseas earnings.

This will be no consolation to those critics of the big banks, who worry about the scale of pect that it is only a matter of time before serious problems show up in banks' foreign loan

RESULTS FOR 1979

Bank .	Assets \$hn	Change	Net income for year Sm	Change	Return on assets	Fourth quarter income Sm	Change on	Share holder funds \$bn
Bank America	108.4	+14.0	600.0	+16.7	0.64	158.0	+ 7.6	3.5
Citicorp	106.4	+21.6	544,2	+13.0	0.58	154.2	+39.1	3.6
- Chase	64,7	+ 5.8	311.2	+58.0	0.52	76.7	+31.0	2.0
Mftrs. Hanover Tst.	47.7	+17.6	211.3	+16.3	0.51	51.7	+13.8	1.6
J. P. Morgan	43.5	+12.9	288.3	+ 8.0	0.71	73.2	- 5.6	1.9
Continental Illinois	35.7	+15.0	194.1	+15.0	0.58	50.4	+ 6.4	1.4
						 -		



Republic of Trinidad and Tobago \$86,283,622 Multi-Source Financing

\$56,950,000 EXIMBANK CREDIT

BankAmerica International Provided by

Bank of America N.T. & S.A. The Bank of Nova Scotia International Limited Canadian Imperial Bank of Commerce The Chase Manhattan Bank N.A. Lloyds Bank International Limited Orion Bank Limited The Royal Bank of Canada (London) Limited

Export-Import Bank of the United States

BANKOFAMERICA^{MESA}

For The Purchase Of TWO LOCKHEED L-1011-500 AIRCRAFT POWERED BY ROLLS ROYCE ENGINES Trinidad and Tobago (BWIA International) Airways Corporation

\$10,500,000 TERM LOAN

Arranged by BankAmerica International

Provided by Bank of America N.T. & S.A. The Bank of Nova Scotia International Limited Canadian Imperial Bank of Commerce The Chase Manhattan Bank N.A. Lloyds Bank International Limited

The Royal Bank of Canada (London) Limited

BANKOFAMERICA***

\$18,833,622 EXPORT CREDIT

With funding and payment guaranteed by Export Credits Guarantee Department

BankAmerica International Group Provided by

Bank of America International Limited

The Bank of Nova Scotia Canadian Imperial Bank of Commerce Chase Manhattan Limited Lloyds Bank International Limited Orion Bank Limited The Royal Bank of Canada In Association with LAZARD BROTHERS & CO., LIMITED

BANKOFAMERICA International Limited

Financings Arranged By BankAmerica International Group

Capital injection for Snia

tural recovery plan has been drawn up for Snia Viscosa, one of Italy's leading synthetic fibres groups in which the Milan-based Montedison chemicals conglomerate holds a majority stake.

The move, which includes a substantial L97bn (\$120m) capital increase to be subscribed in part by a consortium of Italian banks, follows a similar 1.2000m Snancial recovery programme for Montefibre, Montedison's other main synthetic fibres and textiles subsidiary.

It comes at a time when the general recovery of Italy's troubled synthetic fibres sector is beginning to take concrete shape following rationalisation of fibres operations between the country's main state and private fibres groups.

The Snia Viscosa proposals

more than L1,000bn, back to profits by the end of next year. The plan envisages the par-ticipation of a banking consor-tium led by Mediobanca, the Milan-based medium-term spe-cial credit institute, in a 197bn capital increase. The banks are expected to subscribe directly up to L40bn of new capital at the same time as underwriting

the entire operation.

Moreover, the banks are to convert some L100bn of Snia Viscosa short-term debt into the medium term and renew nearly L50hn of medium-term debts maturing during the next two years. Snia Viscosa also intends to float a L50bn loan next year guaranteed by the com-pany's hydrocarbon and hydro-

A MAJOR financial and structure aim at bringing the company, are not specifically tied to its tural recovery plan has been with an annual turnover of main industrial activities in fibres, chemicals and defence equipment. At the same time it hopes to exploit more fully natural gas fields it owns in Italy by increasing production to 240m cubic metres of gas by 1981. The overall capacity of its gas fields is put at around 2.6bn cubic metres.
Snia Viscosa further plans to

complete its current L260bn investment programme. Of that, L85bn has already been in-vested, while L156bn is expected to be spent by next year, with an additional Libbn to be invested after 1981.

The programme, which is designed to improve the industrial structure of the group, particularly in the fibres sector, will be partly funded by new long-term debts for L43,3bn. electric assets.

To raise urgently needed cash. Snia Viscosa is to sell a lay off 4,150 workers as part of number of its fixed assets which its overall recovery strategy.

The Fierro family, which over the past two years has been divesting some of its industrial portfolio, including its share in Renault, has agreed for the moment to retain 25 per cent in Ibelsa. The move has been prompted by three main reasons connected with the com-pany's long-term viability: the domestic market in Spain is suffering from oversupply; export outlets are difficult to exploit because of high production costs in Spain, protection in foreign markets and latterly the high value of the peseta:

Zanussi

in Spanish

appliance

takeover

ZANUSSI of Italy has taken control of the Spanish domestic

appliance company, ibelsa, by

raising its stake from 50 per cent to 75 per cent. Ibelsa has

The move underlines the growing tendency for Spanish

companies to cede control to multinationals in order to

ensure long-term viability Control of Ibelsa has change

hands through a capital in-crease, with Zanussi's existing

Spanish partner, the Flero group, waiving its rights to subscribe. Ibelsa's capital has

been increased from Pts 875m

to Pts. 1.9bn (\$28m).

turnover of Pts 7.7bn (\$115m).

.mitment. Ibelsa production is centred on two plants near Madrid and at Logrono in the North, wife total workforce of 2,608. The Madrid plant is essentially geared to produce washing machines, while Logrono's main line is refrigerators.

and, thirdly, Spanish capital is

unwilling to risk further com

Petrofina upsurge

Net income at Petrofina rose (\$294m) in 1979 after BFr 12.3bn of special debits; of which BFr 6.9bn arose through a switch to LIFO accounting The slowdown in the rate of profits growth during the second half of the year suggested in

KHD plans Bank of Spain acts major U.S. under new powers

BANK OF SPAIN has used special powers to intervene in the running of a small commercial bank, Banco de Asturias. It has temporarily suspended the Board.

This is the first time that the Bank of Spain has used in this way powers conferred two years ago under legislation designed to give it greater control over the banking system. Bank of Spain said that the decision did not reflect on the financial structure of the bank whose capital and reserves total Pta 1.1bn (\$16m).

Officials said that the decision was related to the role of four Board members who represented the financial group, Cafasa. The four are the ones affected by the suspension: the position of the bank's president,

Fernandez Pello, is unaffected. Cafasa bought 75 per cent of the bank in 1977 from the Banca Catalana group, for around Pts 4bn (\$60m). Subsequently. Bank of Spain inspectors are understood to have warned the new Board of the bank against using bank funds to cover the purchase price. Failure to observe these

apparently led to the present

Sr. Prudencio Fernandez y

Under the powers given to it in 1978, the Bank of Spain can wind up a bank's activities or intervene directly to replace Board members or to suspend a Board. When the Banco de Navarra collapsed in early 1978 the bank used these powers to change the Board and force a Friday's editions was thus

misleading. winding up of the bank. FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published

.,	on the second Mond	ay of	each	mon	th.		
ıt	U.S. DOLLAR -				Char	nga ar	1
t-	STRAIGHTS	Issued	Bid	OBer	day	wask	Yiek
k	Alcoa of Australia 10 89		854			-14	
ı	Alex Howden XW 91- 91	30	74	76	-1	-7%	14.00
n	Aquitaine Can, 111, 85		93,			-01	
	Austrolian Res. 95 84 Avco O/S Cap. 104 87	30 40	883	994	-05	-07	72.9
ė	Beneficial Fin. 9% 87	100	794. 85%	961	- N	+012	14,53
li	CECA Grad. Rate 12 86		931	941.	-01	-17	12.74
d ·	CECA 11% 90		921,	934			12.9
0	CECA 94 99	128	1781	792	+1	_	13,00
I	Canedian Pacific 9% 89		841	857	- O1,	-1	12.58
3	Carter Hawley 94 86	50	85 ¹ 2	86	-0 ₁ 4	-04	13.14
	Comalco Inv. E. 104 91	40	857,	85%	-13	-2	12.72
٠.	Continental Grp. 93 86		85%	8614	0	- 75	72.54
e	Dome Petroleum 10 94		823			-04	
5	Dominion Bridge 10% 84 FIB 11% 92	- 30 80	90½		- W	-04	13.20
	EIB 104 87	100	887	907	-07	~04	13.4
•	EIB 10.15 99	700	1817	837	VT	a C	12.00
r	Ekportfin 114 87	50	92%			-0-	
)	Export Dv. Cpn. 94 84		90%			+0+	
ŀ	Export Dv. Cpn. 94 84		90%			-0.	
1	Finland 94 89	700	183%			-D*	
i.	GTE Finance 94 89	S 5	854	85%	-04	-15	12.45
y	GMAC 94 86	100	85%			-04	
. 1	GMAC O/S Fin. 11 84		947			-0.	
1	Gould Int. Fin. 94 85	50	884		Q	-02	12.97
s	ITT Antilles 912 89	. 75	83	837	-0-	-07	12.66
	Kennecott Int. 91, 86	100	84			-04	
7	Manitoba 912 89 , Michelin 10 84 ,	75 125	824 824			-0% -7%	
- 1	Nat. Des. Telecm, 91, 88	100	874			-03	
<u>- [</u>	New Brunswick 94 94	75	307			-05	
1	Newtoundland 10 94	50	82			O7	
۱ ـ	Norges Komm, 97, 99	100	*814	814	8	-04	12.81
٤ (Norway 972 84	150	904	90)*	O,F	-04 ·	12.49
e l	Nova Scotia Pwr. 91, 89	50	83	831,	-05	-02	12.93
ş [Occidental Fin. 104 84		191	9112	-07	-11	72.98
١.	Orient Leasing 91, 86		1853	264	-01	-15	12.80
	Penmwalt O'S F. 94 84 Pepvico Cap. 94 84	25 100	90.7 200.7	9074	_U\.	-04.1	12.87
1	Quabec Hydro 10 99	75	781	781	- 07 - 11	-2	12.3U
۱:	Sears Rosbuck 9 82	150	937			-ć ·	
) Ì	Statoit 94 89	100		837			
H	Sweden 94 89	100	834	847.	-0°-	- 11	12.78
: 1	Sweden 91, 86		187 ·	38 ·	-0%	-14 1	12.83
1	Sweden 94, 84	100	904	91,	-05	-05	12.46

Average price changes On day — O's on week — O's											
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Nippon Tel. 8. T. 5 ² , 87 Norges Komm. 73, 91	100 150	85 .	861-2	+0-	-03 -13	8.1R					
Norway 83 84	250 250 40	957 983 98	99 ¹ 2	+0½		7.54 7.72 8.23					
OKE 72 89	100 400 250	951, 957,	96 ³ 96 ³	-04 0 -04	-0년 -0년 +0년	7.97 8.31					

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Aumer 5 89	60	914	817	+0*	+2%	6.21
Australia 34 89	- 250	871	87%	-04	-14	5.37
Bergen. City of 43, 91	40	917	92	. 0	-24	5.75
BNDE 5 89	75 100.	825	83	0	+2	7.61
BMW Oversees 41 91 Caisse Net. Tele, 42 89	100	914	913	-04	+24	5.24
Canada 34 89	300	227	534	40.2	+0%	5.84
Copenhagen 41 91	60	96	20	_‱_	-7 -04	- D45
Council of Eur. 5 89	100				~64	
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nt,-Amer. Dev. 472 89	100				+0-	
Judand Tale. 52 90	50	99	39,7		_	5,58
Maleysia 5 89	80	867.	874	+ውኤ	+1%	6.88
Nippon Tel. & T. 44, 89	190	884	887.	+02	十2号	5.80
Nordic Bank 5 89	45	9212	835	+0~	-14	5.58
Norges Komm, 4% 91	100	864	86,7	-cz,	+04	6,03
OKB 31 91	100	831	837	-0-	+2	5.78
OKB 43 91	100				-13	
Oslo, City of 4% 91	100				-02	
Shikoku El. Pwr. 42 89	700				+112	
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89', 90', 85', 86', 97', 96', 89', 90', 87', 88',

sales push BY OUR MADRID CORRESPONDENT By Hazel Duffy.

AS MUCH AS 40 per cent of the sales of Deutz engines will be in the U.S. by 1985, as against the current 18 per cent. predicts Mr. Peter W. Schutz, executive vice-president of Kloeckner - Humboldt - Deutz. (KHD), the Cologne-based

Most off the engines will be supplied from the plant in Richmond, Virginia, which KHD bought from American Motors Corporation in Decem-ber. Production is scheduled to start this summer. In addition to the assembly facilities, Deutz plas to locate a worldpurchasing centre at Richmond. The intention is that a high percentage of the components will be purchased in the U.S., eliminating some of the cost problems that have been encountered by Deutz maufacturing in West Germany and exporting to the U.S.

engineering group.

Deutz currently sells 22,000 engines a year in the U.S. representing about 18 per cen of worldwide sales after deduct ing sales to the Iveco truck group and KHD's agricultura machinery interests. The main thrusts in the U.S. sales drive will be on engines for industrial applications and specialised delivery trucks. The engines to be assembled at Richmond wil be those in the 912 and 913 series, in the 40-160 hp range Mr. Schutz said in Cologne recently that the sale by KHE of its 20 per cent stake in Iveco (the holding company for Magirus Deutz and Fiat trucks) enables Deutz to be an independent supplier of diesel engines The amount of cash raised by the sale has not been disclosed but Mr. Schutz says that it will enable KHD to expand its activities, through the acquisition of another diesel engine manufac-

Deutz is a major producer of air-cooled diesel engines. The engines have certain advantages over the more widely-used watercooled engines, being lighter in weight, and, claims Deutz, more durable and reliable. They also tend to be more expensive. But Deurtz believes there is a fastgrowing market for such en-gines in the U.S., where fuel price increases are prompting a growing swing to diesel motors. In Europe, Deutz has identified the UK as the biggest market for diesel engines. The company's market share in the UK is only 4 per cent at present, but it believes that it can increase this substantially as a result of a greater marketing presence. If sales increase in line with target. Deutz will consider assembling engines in the

Other recent developments undertaken by Deutz include:
(a) a development study with Ford in Britain on the feasi-bility of the dieselisation of a car engine. A decision on the future of the study will be taken in two months.

(b) a development programme with the Canadian Govern-ment-sponsored Enterprise Development Board for the production of an eight cylinder 160 h.p. lightweight truck engine. The joint programme has cost C\$40m over the past six years, and 30 prototypes have been built. A decision on whether to go into production in Canada will be

Andelsbanken profits dip

By Hilary Barnes in Copen

ANDELSBANKEN, the fourth largest Danish commercial bank, reports net profits down from DKr 115m to DKr 108m (\$19.8m) for 1979 and pre-tax profits from DKr 179m to DKr 165m. Operating profits fell from DKr 119m to DKr 60m, but the adjustment for security values rose from DKr 56m to DKr 105m. An unchanged 12 per cent dividend is planned. Despite the poor economic outlook for 1980, the bank expects more or less unchanged

OTHER STRAIGHTS OTHER STRAIGHTS IN AVEC FIN. 10% 86 CS ... Bell Canada 10% 86 CS ... Bell Canada 10% 84 CS Ex. Dev. Cpn. 10 84 CS Fst. Can. Inv. 10 84 CS Hudson Bay 10% 89 CS Hudson Bay 10% 89 CS Cyusbec 10% 86 CS ... R Bk. Canada 10 85 CS R. Bk Copenagen 35 91 EUA
M. Bk. Dnmk. 9 91 EUA
SDFTE 35, 89 EUA
Algemene Bk. 85, 84 Fl
Ned. Gasunie 85, 84 Fl
Ned. Middbk. 85, 84 Fl
Norway 85, 84 Fl Gen. 118C. Co. 127, 88 t. Indonesia 83, 91 KD ... Mitsubishi 77, 84 KD ... Norses Kom. 72, 89 KD ... Get Gental 87, 91 KD ... Euratom 9, 87 LuxFr ... Euratom 9, 88 LuxFr ... Euratom 9, 88 LuxFr ... Get City of 880 LuxFr

Bid Offer day

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ter they publish a list of countries in which they will finance exports. All of this, plus their relationships with Trade Development Bank in Geneva, Paris, London, Luxembourg, and Banco Safra in Brazil, result in an extraordinary export financing capability. Put some of Republic's exportise to work for you.

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All of these securities have been sold. This announcement appears as a matter of record only.

New Issue

1,000,000 Shares

Loral Corporation

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

BACHE HALSEY STUART SHIELDS BEAR, STEARNS & CO. DILLON, READ & CO. INC. DREXEL BURNHAM LAMBERT GOLDMAN, SACHS & CO. DONALDSON, LUFKIN & JENRETTE KIDDER, PEABODY & CO. LAZARD FRERES & CO. E. F. HUTTON & COMPANY INC. LEHMAN BROTHERS KUHN LOEB MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP

SALOMON BROTHERS SHEARSON LOEB RHOADES INC. SMITH BARNEY, HARRIS UPHAM & CO. WARBURG PARIBAS BECKER WERTHEIM & CO., INC. DEAN WITTER REYNOLDS INC.

CROWELL, WEEDON & CO. FURMAN SELZ MAGER DIETZ & BIRNEY HAMBRECHT & QUIST NEW COURT SECURITIES CORPORATION ATLANTIC CAPITAL BASLE SECURITIES CORPORATION

DAIWA SECURITIES AMERICA INC. ROBERT FLEMING

NEW JAPAN SECURITIES INTERNATIONAL INC.

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ULTRAFIN INTERNATIONAL CORPORATION

THE NIKKO SECURITIES CO.

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DEN NORSKE CREDITBANK PICTET INTERNATIONAL

SOCIETE GENERALE DE BANQUE S.A. VEREINS-UND WESTBANK

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SERVICE

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By Richard C. Hanson in Tokyo THE JAPANESE Ministry of its stake from the final future to the first stake from the final future to final final future to final final future to final final future to final fi than previously thought, perhaps this month. Lending,

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including its to the consideration past to retain 25 May superformance, assets and other the move by the considerations particular to by the the tasks that the consideration is particular to the the the tasks thank. connected with the Alfiling of curbs on yen

Sumitomo rights issue

TOKYO - Sumitomo Corpotation is to increase its eapital to Y24.78hp (USS 193m) from the present plant is ear Y15.69bn in June.
The company said that a rights issue will be offered to shareholders as of March 30 on a one-for-two basis at par of Y50 with payment required by the end of June. It will also issue a total of 25m capital shares for public subscription at a market price to be fixed later.

The company plans to make one-for-20 bonus share issue at the end of March, 1981.

CBC lifts earnings and dividend at six months

BY JAMES FORTH IN SYDNEY

THE COMMERCIAL Banking annual rate of at least 18 cents, healthy state of the banking earnings by 44 per cent. from raised from 13 cents to 16 cents, improvement. A\$11.5m to A\$16.5m (US\$19.3m) in the haif-year to December. earnings will rise by A\$8m for the year, to A833m.

following a solid recovery in profils, from A\$7.7m to A\$25.2m. company,

INTERNATIONAL COMPANIES and FINANCE

Group income in the latest General second-half, indicating that that the increased profit came A\$1.44m. share to 9 cents, suggesting an margins and the generally sure on interest rates.

Company of Sydney raised its Last year the dividend was industry were factors in the

The 79 per cent owned finance Commercia! and Acceptance boosted its The directors expect to match half rose from A\$204m to carnings from A\$740,000 to the first-half performance in the A\$224m. The directors said A\$1.85m. The CBU's share was The CBC directors 1 largely from a further improve- cautioned that increasing cost ment in the fortunes of the pressures would make the curstrading bank. A higher per- rent half more deflicult. The The interim dividend has centage of funds in non-interest contraction of the money supply been raised from 7.5 cents a bearing deposits, a lift in profit was likely to put upward pres-

Highveld Steel maintains growth

BY JIM JONES IN JOHANNESBURG

HIGHVELD STEEL and Vanadium Corporation, the South division African producer of steel and capacity months to end-December, Pretax profits rose by 74.1 per cent to R33.1m (\$40.5m), from R19m in the same period in the previous year. Turnover was up 28.8 per cent to R155.7m (\$190.3m), from R120.9m. Production of all products

was higher across the board. though export sales came under some pressure towards the end of the period. For the whole of 1978-79, pre-tax prolits were on turnoyer

stantially. Steel during the second half of the 1980 calendar year, and a tenth kiln is to be commissioned half, before the end of 1981. These The produced in 1978-79.

With the vanadium products strongly during 1979 but warns livide revised, ivision returned to full that recent declines in overseas. Westfield Ltd's reorganization returned to full that recent declines in overseas. Westfield Lid's reorganisation and near-capacity steel production have started to last year involved the injection vanadium products, maintained operations at the steel plant, affect ferro-alloy demand and of a number of properties into its solid growth trend in the six margins have improved sub-prices adversely. However, the trust and the formation of a production board is satisfied that domestic i holding company to manage the capacity is steadily increasing, demand for rolled steel pro-properties. For the first six A north pre-reduction kiln is duets will help offset less months of 1979-80. Westfield A ninth pre-reduction kiln is duets will help offset less scheduled to come on stream buoyant exports, and that the during the second half of the group will at least maintain first-half profits in the current

The interim dividend has developments are planned to been increased by 3 cents to raise steel making capacity to 9 cents. Earnings a share in the an annual 900,000 tonnes, combalf were 29.6 cents, against pared with the 752,000 tonnes 18.4 cents. On cornings of 40 reduced in 1978-79. cents for the year to June 39.
The board reports that ferro- 1979, dividends totalling 20 alloy export prices advanced cents were paid.

Sharp rise in Perlis Plantation profits

BY WONG SULONG IN KUALA LUMPUR

PERLIS PLANTATION, the per cent for the year, compared through a higher sugar crop. Malaysian sugar group, has recorded a 38 per cent rise in earnings with after-tax profit

Delhaize "Le Lion"

Alterman Foods, Inc.

The undersigned initiated

this transaction and acted

as financial advisor to

of New York

the acquiring company.

has acquired through a

subsidiary the business

and operating assets of

As in previous years, wholly owned

with 27.5 per cent previously. resulting from good weather. years, its The 49 per cent owned one-for-ten basis at an issue subsidiary, associate, Rasa Sayang Hotel, on price of A\$1.30. The notes reaching 19.5m ringgit Malaysian Sugar Manufacturing, Panang Island, is said to be (U.S.\$8.9m) for the year ended the refining plant subsidiery, doing well, with a high occu-September. It is paying a final contributed the bulk of the pancy rate. A new hotel, the per cent. They are convertible dividend of 12.5 per cent, bring-profits, although the parent com-ing the total dividend to 32.5 pany also increased earnings recently completed by the group Sentember 30 1989 near the Rasa Sayang. Last year, Perlis Plantations

diversified further, away from sugar, by taking over Mineral Securities through a cash and share deal. Apart from being involved in real estate, and rubber growing, Mineral Securities holds 47 per cent of the highly profitable Rahman Hydraulic Tins.

EARNINGS of South Pacific Textile, one of the larger textile The requisition takes CSR's companies on the Ruala Lumpur holding in Thiess to \$3.5 per exchange, for the year ended cent. September rose sharply, to 4.15m ringgit (U.S.\$1.9m) compared with 1.07m ringgit in 1977-78. After-tax earnings were 3.8m ringgit, compared with 1.6m.

Sales increased marginally. by 1.3m ringgit to 33m ringgit (U.S.\$15.1m). South Pacific is paying a divi-

dend comprising 5 per cent tax exempted and 5 per cent less tax, compared with the previous taxable dividend of 3.8 per cent.

All remaining debenture stock in Kuala Lumpur Kepong (KLK), amounting to 3.1m one ringgit each wi! he redeemed at par on Apri The debentures were among 24m units issued by KLK in 1975 to finance part of the costs of developing 22,000 acres of palm oil estates in Johore state. They carry a 10.5 per cent interest rate, and were due to expire in 1981.

China Engineers

China Engineers (Holdings), the Sime Darby group's whollyowned Hong Kong subsidiary, proposes to change its name to Sime Darby Hong Kong following Sime Darby's acquisition of the remaining minority share in the company last October.

Funding for Westfield **Property** Trust

By Our Sydney Correspondent

WESTFIELD PROPERTY Trust, a recent spin-off from the Westfield property development group, plans to raise A\$14.5m (equivalent to tequivalent US\$15.8m) through a rights issue of one new unit for every seven held. The issue price will be A\$1.00 a unit, compared with recent sales at A\$1.05. The trust earned net income

of A\$4.6m (US\$5.1m; in the half-year to December. The directors have announced an interim payout of 4.6 cents, and expect a final of 4.75 cents, making a total of 9.35 cents. The property trust was formed in mid-1979 with a forecast of a 9 cents annual payout to mitholders, but this has now been

Property Trust's gross revenue was A\$6.7m (US\$7.4m). ussets amounted to ASLOI per

Ampol to raise AS30m

By Our Sydney Correspondent

AMPOL PETROLEUM is seeking to raise up to A330m (U.S.333 2m; through an issue of convertible notes to existing shareholders. The directors said the funds would go towards future development and expunsion and to provide working capital.

The notes will be offered on a carry on interest rate of 11.25

Toyota accepts CSR offer

SYDNEY - Toyota Motor Company has accepted the offer by CSR in respect of its 7.5 per cent stake in Thiess Holdings. CSR offered five of its shares Thices's 64.59m issued shares

The National Bank of Australasia Limited

Highlights from the Chairman's address

UNSETTLED INTERNATIONAL ENVIRONMENT

Increased political and social tensions in various pans of the world have led to large speculative increases in commodity prices and intensified inflationary pressures during the past year. This has caused instability in international currency markets and a tightening of monetary policies. It seems inevitable that the compination of nigher energy prices and restrictive monetary policies will produce a general siowdown in world trade and output during the year ahead.

THE CHALLENGE FOR MONETARY POLICY

The goal must be to ensure that adequate funds are available from the banking system to sustain recent higher levels of economic growth. Policy must also respond to the changing international environment. Monetary management in recent years has made a material contribution to a stronger and more resilient economy. This in turn should better enable us to withstand the shocks caused by events overseas. However, a clear distinction must be drawn between the positive role that monetary policy can play in this context and any attempt to use it as a means of totally insulating ourselves from overseas developments.

The increased differential

between domestic and overseas interest rates during the past year has provided a strong inducement to utilize local sources of funds. The demands placed on the banks have been very heavy indeed, with the result that the normal seasonal upturn in liquidity has been slow to take place. In these circumstances there will be a responsibility on the authorities to ensure that the financial system is able to negotiate the winter seasonal trough in liquidity without causing any undue tightening in the market

ALLOWING THE MARKET TO PLAY ITS PROPER

ROLE The Bank, in its submission to the Committee of Inquiry into the Australian Financial System, has recommended general freeing of the system and, in particular, a removal of direct controls to which banks are subject.

A freer financial sysiem possesses an inherent capacity to adapt io changes which other more requiated systems do not. We must be wary of claims that government can somehow foresee and react to events more efficiently than the market. There is a tendency to extend controls during periods of rapid change and uncerrainty when, in fact, prudence should dictate that the market be allowed to play its proper role.

A PERIOD OF OPPORTUNITY 1980 looms as a promising year for the Australian economy with the principal areas of strength likely to be business investment and exports. However, our economic performance will depend on the success achieved in containing costs and prices.

Melbourne, January 24,1980 Sir Robert Law-Smith, Chairman

SUMMARY OF RESULTS											
	1979 S'000	1978 S'000	% Increase								
Group operating profit (after income tax)	69,498	53,533	29.8								
Total Group assets	7,193,093	6,116,565	17.6								
Dividend per stock unit	16.0c	15.0c									

This announcement appears as a matter of record only



KINGDOM OF BELGIUM

U.S. \$ 1,000,000,000

MEDIUM TERM LOAN

MANAGED BY

BANQUE BRUXELLES LAMBERT S.A. / BANK BRUSSEL LAMBERT N.V. BANQUE DE PARIS ET DES PAYS-BAS BELGIQUE S.A. / BANK VAN PARIJS EN DE NEDERLANDEN BELGIE N.V. KREDIETBANK N.V.

SOCIÉTÉ GÉNÉRALE DE BANQUE S.A. / GENERALE BANKMAATSCHAPPIJ N.V.

PROVIDED BY

ALGEMENE BANK NEDERLAND N.V. AMSTERDAM-ROTTERDAM BANK N.V. THE BANK OF NOVA SCOTIA C.L LIMITED BANK OF TOKYO, LIMITED BANQUE BRUXELLES LAMBERT S.A. BANQUE DE PARIS ET DES PAYS-BAS BELGIQUE S.A. BANQUE EUROPEENNE DE CREDIT (BEC) BANQUE NATIONALE DE PARIS BARCLAYS BANK INTERNATIONAL LIMITED BAYERISCHE LANDESBANK INTERNATIONAL S.A. BERLINER HANDELS- UND FRANKFURTER BANK CANADIAN IMPERIAL BANK OF COMMERCE CHASE MANHATTAN BANK N.A. CREDIT COMMERCIAL DE FRANCE CREDIT LYONNAIS DEUTSCHE BANK (ASIA CREDIT) LIMITED

EUROPEAN AMERICAN BANK (LUX. BRANCH) THE FIRST NATIONAL BANK OF CHICAGO FUJI BANK, LIMITED KREDIETBANK N.V. LLOYDS BANK INTERNATIONAL (BELGIUM) S.A. MIDLAND BANK LIMITED MITSUBISHI BANK (EUROPE) S.A. NATIONAL WESTMINSTER BANK GROUP NEDERLANDSCHE MIDDENSTANDSBANK N.V. ORION BANK LIMITED THE ROYAL BANK OF CANADA (LONDON) LIMITED SFE BANKING CORPORATION LIMITED/SFE GROUP SOCIETE GENERALE / SOGENAL SOCIETE GENERALE DE BANQUE S.A. THE SUMITOMO BANK LIMITED WESTDEUTSCHE LANDESBANK GIROZENTRALE

AGENT

KREDIETBANK N.V.

J. P. Morgan (Suisse) s.a.

Morgan Guaranty Trust Company

announces the opening of its office at 7 rue des Alpes, 1201 Geneva, providing a full range of banking services, including investment management, primarily for individual clients.

GEORGES L. DE MONTEBELLO General Manager

A wholly owned subsidiary of Morgan Guaranty Trust Company of New York

WORLD VALUE OF THE POUND

Scheduled Territories: (T) journst rate: (Bas) basic rate: (bg) buying rate: (Bk) bankers' rate: (cm) commercial rate: (ln; forestible rate: (ln; forestible rate: (ln; forestible rate: (k) Scheduled Territory; (at) noncommercial rate: (nom) nominal; (cr) official rate: (ag) selling rate. an authorised dealer.

Abbreviations: (A) approximate rate, no direct quototion available: (F) free rate; (P) based on U.S. dollar parties and going attribug/dollar rates; (S) member of the sterling area other than

PLACE AND	LOCAL UNIT	VALUE OF STERLING	PLACE AND	LOCAL UNIT	VALUE OF STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Afghanistan	Afghani	94.00	Greenland	Danish Kroner	12,47	Peoples D. Repub.	
Albania	Lek	10.20	Grenada (5)	E. Caribbean \$	6,16	of Yemen Si. S. Yemen Dinar	. (A)0,7805
Almania	Dinas :	8,7360	(Attacks to the	Local Franc	9.3325	Peru	exc(A)578,20
Andorra	French Franc Spanish Peacts	9,3325	Guam	U.S. 3	2.2855 2.2855	Philippines Philippine Peso	16.54
	Spanish Peseta	151,10	Guatemala Guinea Republic	Kip diamen	42.85	Pitcairn Islands (S. E Sterling	2,3185
Angola Antigua (5)	F Curibbean S	62,686 6,1 6	Guinea Bissau	Peso	76,35		(Cm166,00
Arcentins	Ar. Peso Free Rate	- 5,785	Guyana (8)	Guyanese \$	5,8280	Poland Zioty	∵(₹.65.00
Australia (8)	Australian S	2.0620	1		. 11.40	Portugal Portugu'se Escud	114,875
Australia (8)	Schilling	28.625	Haiti Honduras Repub	Courc	11.40	Port Timor Timor Escudo Puerto Rico U.S. \$	114,875
Azores	Portug. Escudo	114,875	Hong Kong (S)	TRINDIA	11,0150	Puerto Rico U.S. \$	3,2855
Bahamas (8)	Ba Dallar	2.2865			(com) 75.71	Geter (Sh Quter Ryel	· 8.36
Bahrain (Si	Diner '	0.859	Hungary	POPINT	(T)(nc) 46.05	Reunion lie de la Franch Franc	9,3325
Belearic Isles	Spa. Peseta	151,10	(celand (S)	i Krane	905.0	Rhodesia Rhodesian S	1.5250
Belearic Isles Bangladesh(8)	Taks	- 34.52	India (S)	Ind. Rupee	18.13	Romania Leu	(Cm)10.05
Barbados (5)	Babados \$11 .	4,5710	Indonesia	Rupish	1,428,45		. (c/c)T26.93
Belgium	B. Franc	(cm) 54.75	1 (200	Risi	· n/a	Rwanda Franc	212,44
_		·(fn) 66,15 4,5710	fraq Irish Republic (k)	Iraq Dinar	0.6702	\$1. Christopher (S) E. Caribbean \$	6.16
Belize Benin	CFA Ecca-	466,625	Irish Republic (k)	irish £	1.0757	St. Helena St. Helena £	1.0
Bernuda (9)	Reis S	2.2865	i israel	israel E	: 84,87	! St. Lucis E. Caribbean 8	6.16
Bermuda (S) Bhutan	Indian Russe	18.13	Italy Ivory Coast	CEA Escar	1,847,0	St. Plerre G.F.A Franc	466,625
Bolivia	Bollylen Peso	56,95	1 .		466,625	St. Vincent (S) E. Caribbean \$	6,16 5.69
Bolivia Botswana (S)	Pula	1.7935	Jamaica (\$)	Jamaiça Dollar	4.0760	Salvador El Colon Samos American U.S. \$	3,09 2,2855
Brazil Brit, Virgin Isles/S)	Cruzeiro #	99,06	Japan Jordan (\$)	Yen	549,0	San Marino Italian Life	1,847.0
Brit, Virgin Isles/S)	U.S, á _	2,2855	Jordan (\$)	Jordan Dinar	0.664(sg)	Sao To'e & Principe Dobra	72.88
Brunei (\$)	Brunei S	4_9095	Kampuchea		2,742,6	Saudi Arabia Ryal	7.64
Bulgaria	Lev	1,9170	Kenya (S)	Kenya Shillina	16,69	Senegal C.F.A. Franc	465.625
Burma Burundi	Kyat	15.8345 205.365	Kirlbati	Australian 8	2.0620	Saychelies S. Rupee	13.45
perane	BUTUNOI FIEND	200,000	Kiribati Korea (Nth)	Won	1.879(1)	Sierre LeoneiS) Leone	2.3675
Cameroon Repub'c	C.F.A. Franc	466.825	1 Korea (Sth)	Won	1,319,55	Singapore (S) Singapore \$ Solomon Islands S) Solomon Is. \$	4,9095
Canada	Canadian 8	2,5480	Kuwait (Sth)	Kuwait Dina	0.619	Solomon IslanderS) Solomon Is. \$	1,9455
Canada	Spanish Pesets	151,10	عمد أ	Kin Pot Po	. 914,20	Somall Republic Somall Shilling	(A)13.75 1.87025
Cape Verde Isle Cayman Islands (S)	Cape V. Escudo	83,20	Lebanon	Lebanese £	7,5060	South Africa (S) Rand South West African	1,61025
Cayman islands (S)	Cay. is. \$.	1,9045	Lesotho	8. African Rand	1.87025	Territories (S) S. A. Rand	1.87025
Cent. Af. Repub Chad	C.F.A. Franc	466,625	Lesotho	Liberian \$	2.2855 .	Spain Pesets	151,10
Chad,,	C.F.A. Franc	466,625	Libya Liechtenstein	Libyan_Dinar	0.6750		,
Chile	C. Peso '	(Bk) 88.62 3,3970	Lectronstein	Swiss Franc	3,78	Spanish ports in	151.10
China		(F) 100.21	Luxembourg	LUX Franc	64.76	North Africa Pesats Sri Lanka (S) S. L. Rupes	34.79
Comoro Islands	C.F.A. France	466.625	Macao	Pata <i>c</i> a	. 12.16	Sudan Republic Sudan £ o	n/a
Congo (Brazaville).	C.F.A. Franc	466.625	Madeira Malagasy Republic	Portug'es Escudo	114,875	Surinam S. Guilder	4.0910
Gosta Rica	Colon	19.56	Malagasy Republic	MG Franc	466,625	Surinam	1.87025
Guba	Cuban Paso .	1.5894	[Malawi (S)	Kwacha	1.82	Sweden S. Krons	9,5275
Cyprus (S)	Сурги≤ £	0.786	Maiaysia (5)	Ringsit	4.9515	Sweden S. Kronz Switzerland Swiss Franc	5,73
		(com) 11,85	Maidive slands (S)	Mai Rudse	8.9820	Syria Syria £	(A)8.9735
Czechoslovakia	Koruna	n/c 23.58	Mali Republic	Mali Franc	933,25	Taiwan New Taiwan	: .(P)82.25
•		(1)17,25	Malta (S)	Martese #	0.782	Tannala ist Tan Shilling	18.50
Denmark	Danish Krone '	12.47	Martinique	Cocal Franc	9.3325 92.80	Tanzania (S) Tan. Shiffing	46.16
Denmark	Fr.	385.0 (sg)	Mauritania Mauritius (S) Mexico	vugulys , M. Runss	17,35	Thailand	456,525
Dominica (S)	E. Caribbean >	6.15	Mexico.	Mexican Pero	51.88	Tonga lelands (S) Palanga Trinidad (S) Trinidad & Tob. 5 Tunisian Dinar	2.0620
Dominican Repub	Dominican Peso ·	2,2855	1 MIQUEION	C.F.A. Franc	466,625	Trinidad (Si Trinidad & Tob. 5	5.4850
•	• •		Monaco	French Franc	9.3825	Tunisia Tunisian Dinar	. 0.888 (SG)
Ecuador	Sucre	(0) 56.53	Mongoila,	Tugrik -	(o)6.2580(II)	I CUIREY LUIRINI LITE	159.50
		(IF) 62,49	i Monserrat	E. Caribbean 5	. 6.16	Turks & Caicos U.S. 5	2.2855
gypt Guatorial Guinea.	cyypuan z Seceto	(U) 1.59 151.10	Moroeco	Dirham	8.46(sg)	Tuvalu Australian S	2.0620
thiopia	r useus Fihioolan Blos	(P) 4.6550	Mozambique	Moz. Escudo	69.70	Uganda (S) Uganda Shilling	16.69
**************************************	erushigii bitt	(F) 7,000p			2.0620	United States U.S. Dollar	2.2855
alkland Islands (S	Falkland is £	1.0	Nauru	Nanalara Buras	27,40	I	·/cm,19.27
aroe islanda	Danish Krone	12.47	Netheriande		4.405	Uruguay Uruguay Peso	, (fp:19.30
iji Islands	Fīli S ·· i	1.9030	Netherlands NetherlandAntilles	Guides Antillian Cuildes	4.0910	Utd. Arab Emirates U.A.E. Dirham	8.50
inland	Markka	8.445	i innerial information	/Franc	-149.95	U.S.S.R Rouble	1.4490
Frence	French Franc	9.6325	New Hebrides	: Aust. Dollar	2.0620	Upper Volta C.F.A. Franc	465,625
FranchC'tvin Af (C.F.A. Franc	466,625	New Zealand (S)	N. Z. Dollar	2.3185	Vatican , Italian Lire	1,847.0
french Guiana	Local Franc	9.3325	Nicaragua	Cordoba	92,75	Venezuela Bolivar	9.75
French Pacific Is.	C.F.P. Franc	169,80	Niger Republic	C. F. A. Franc 🕟	466.625		(0)4.9825
•			Nigeria (S)	Naira.	1,230122/sgi	Vietnam	(1)4.60()
	C.F.A. Franc	466,625	Norway	Norway Krone	11,1725	Virgin Islands U.S. U.S. Dollar	2,2855
abon							
ambia (S) (Delasi	4.0	Oman Sui'ste At /84	Blai Omes:	ስ ጎምድ	Wastern Samos (S) Samoan Tale	2.09125
ambia (S) (Delasi Ostmark	7.9825	Oman Sul ata of (\$)	Rial Omani	_ 0,785	Western Samoa (S) Samoan Tala	2.0825
iembie (S)	Ostmark Deutsche Mark	7.9825 7.9825	Pakritan.	Pakistan Robes	22,40	Yemen Rysl	·· 10.29(5G)
ambia (S)	Ostmark Deutsche Mark	7.9825 3.9825 6.25	O(nan Sul'ata of (\$) Pakistan Panama Papua N. Guinea(\$)	Pakistan Robes Balboa		Western Samos (5) Samosn Tale Yemen Rysi Yugoslavis New Y Dinar Zaire Republic Zaire	

"That part of the French community in Africa formerly French West Africa of French Equatorial Africa. † Rupees per pound. † General rates of oil and from exports 96.00. ** Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados 5 to the dollar. †† Now one official rate. (U) Unified rate Applicable on all transactions except countries having a bilateral agreement with Egypt, and so are not mambers of IMF. (1) Based on gross rates against Russian

G. Messervy to be chairman of Lucas

lesservy will retain his responsibilities as group managing

48 years with the Lucas group. Electric Traction Company. The Board intends to invite him to re-join the company executive director.

Mr. Messervy joined Lucas in

1949 at Lucas CAV as a production trainee.

He comes from a family with a strong motor industry back-ground. His father spent nearly all his working life with Rolls-Royce, retiring as a director in 1956. His grandfather was in the garage trade in Derby for 40

Mr. Messervy is also a nonexecutive director of the Costain Group and a Council Member of the Birmingham Chamber of Industry and Commerce. He is a Alie Stuart have been appointed Pacific region. He was previously to the Board of THOMAS an assistant general manager TOURDAN

Mr. John E. B. Bowman has heen appointed managing been appointed president and director of CHARTERHOUSE chief operating officer of the DEVELOPMENT, the development capital member of the Mr. Gerald H. Trautman will Charterhouse Group. Mr. continue as chairman and chief Charterhouse Group. Mr. continue as chair Edward G. Cox continues as executive officer.

in London. He succeeds Dr. sonnel relations and his new

Sir Bernard has reached retirement age after more than 48 years with the Lucas group

Mr. Graham Fortescue has been appointed sales director and Mr. Michael Newmarch a director and investment manager of VAN-BRUGH LIFE ASSURANCE.

Mr. Brian Holmes, director and chief general manager of Gresham Life Assurance Society, has joined the Board of AMEV LIFE ASSURANCE. Both companies are subsidiaries of the AMEV Group of the Nether-

Mr. Robert K. Swanson has

Mr. Ken Appleton has been Mr. Basil Buller. general appointed to the newly created manager of BP PETROLEUM post of director of personnel rer'nicf executive of the company BROTHERS. He was head of per-

Sir Bernard Scott is to retire Ken Keep, who is moving to appointment takes effect from as executive chairman of LUCAS Australia as director, resources March. The new post is intended INDUSTRIES on March 31 this development. BP Australia. The to strengthen the Group personnear. He will be succeeded by new general manager is Mr. Devid Mr. Godfrey Messervy, 55, who John Williamson who has been managing director for a proposed to appointment takes effect from a proposed to appointment takes effect from a proposed to appointment takes effect from as executive chairman of LUCAS Australia as director, resources March. The new post is intended. In the group of the control of the has been managing director since replaced as assistant general director for personnel, to give february 1974 and deputy chair-man since April 1979. Mr. Stan Howe. of the Pilkington group. Mr. M. C. Fetherstone-Dilke

> AND SAFETY EXECUTIVE'S tion, Foster Wheeler Corpora-occupational health information, tion, U.S. The new company-data appraisal and epidemiology FOSTER WHEELER PETRObranch. Dr. Sorrie's new post is LEUM DEVELOPMENT CORas a deputy director of the Executive's medical services division. The unit for which he is responsible was set up in May 1979, to co-ordinate a wide professional scrutiny of information available. from within the Executive and outside, on potentially harmful substances used at work.

appointed to the new post of regional director at MIDLAND BANK INTERNATIONAL, in

Mr. Lee Tyrer has been ap-pointed London actuary of SCOT-TISH EQUITABLE LIFE ASSUR-ANCE SOCIETY in Edinburgh. He succeeds Mr. Stewart Ritchie. as funds superintendent responsible for the administration of the Group's pensions contracts.

Mr. Bryn Dando has been appointed chairman of Gill and appointed managing director of Duffus Limited Mr. R. J. Thorne BROCKS DYNAMICS, a new remains on the Board of Gill high technology division of the and Duffus Landauer.

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are proud to announce

...that after over 200 years as one of Europe's

foremost soft commodity houses, trading in cocoa, coffee,

sugar, etc. we are now also involved in the very

important market in metals. Accordingly, we have established Woodhouse, Drake & Carey (Metals) Limited. To discover how our new company can successfully manage your metal interests in all aspects of trading... ...contact Andrew Malim

Woodhouse Drake &

Carey (Metals) Limited

Three Quays, Tower Hill, London EC3R 6EP. Telephone: 01-623 7575

Brocks Group. He has also been appointed to the board of Pern Electronics (Kennington). Mr. Reg Thomas has been appointed technical director of Brocks Dynamics, and also to the board of Pern Electronics.

Foster Wheeler Offshore, Reading, is to be absorbed into Dr. George Sorrie has become a new international subsidiary the new head of the HEALTH formed by the parent organisa-PORATION-will be based in London and will absorb the personnel and functions of FWOL's counterpart in the U.S., Foster Wheeler Offshore Corporation (Houston). Its chief executive is named as Mr. Nicholas G. Dobrotwir, formerly president of Global Engineering International

> The FOREIGN EXCHANGE
> AND CURRENCY DEPOSIT
> BROKERS' ASSOCIATION has
> elected as chairman Mr. M.
> Osborn (director, Harlow Meyer
> and Co.); as deputy chairman and Pearce); and as honorary secretary/treasurer. Mr. H. A Woellwarth (chairman, Woell warth and Co.).

> M. B. H. Wilden has been elected chairman of GILL AND DUFFUS LANDAUER, the pro-duce trading subsidiary of Gili and Duffus Group. He replaces Mr. R. J. Thorne, recently

Sterling firm

quite and featureless trading per FFr 100 from DM 42.695, and vesterday, while the dollar the guilder was weaker at DM weakened, after a firmer start, to finish near its worst level of the day. The pound continued to demand following tight domestic day. The pound continued to gain strength from Britain's North Sea oil, and to a lesser extent from the attraction of high UK interest rates. On Bank of England's figures, the pound's in terms of other EMS currentials from 72.0, having dipped stightly to 72.1 at noon from a morning calculation of 72.2 Against the dollar it opened at \$2.2735-2.2745 and briefly touched a low of \$2.2650 before recovering to around \$2.2725 by noon. Later in the afternoon, as the dollar's decline accelerated, sterling touched \$2.2870, and closed at \$2.2850-2.2860, a rise of 1.15c from Friday.

demand following tight domestic money conditions, and vieling with French frame at top of EMS with French frame at top of EMS in terms of other EMS currencies, underpinned by the Italian authorities' intention to maintain a tight monetary policy in a bid to control inflation. The Dauish tension before the fixing but all other currencies for ground. Outside the EMS, the dollar was fixed higher the fixing rose to L1,839.80 from L1,837.48. from Friday.

Reserve Bank may have given some small support. Against the D-mark it fell to DM 1.7415 from DM 1.7435, having touched DM 1.7490, and SwFr 1.6310 from SwFr 1.6310 in terms of the Switch from SwFr 1.6310 in terms of the Switch from SwFr 1.6310 representations. Swiss franc. The Japanese yen also showed a small improvement with the dollar easing to Y240.25 from Y240.40. On Bank of England figures the dollar's index was unchanged at 85.2.

STERLING improved against L1,000. On the other hand the most currencies in generally French franc eased to DM 42,68

FRENCH FRANC — Strongest EMS currency since December, but now challenged by Italian Having traded within a fairly narrow range during the morning and part of the afternoon, the dollar started to lose ground after the entry of New York into the market, and the Federal FFr 5.0560 from FFr 5.0525 per FFR 5.0560 from FFR 5.0560 fro L1,000. Sterling rose to FFr 9.3010 from FFr 9.288 and the dollar was higher at FFr 4.0910 against FFr 4.088. BELGIAN FRANC - Generally weakest member of EMS, but resists devaluation — The franc

improved against the French franc and Dutch guilder but lost ground against other currencies. DANISH KRONE—Basically weak, suffering two devaluations was unchanged at \$5.2.

D-MARK—Very strong, but remaining steady within the European Monetary System recently—In the absence of any fresh developments in the Middle East, the dollar was firmer against the D-mark at DM 1.7459 compared with DM 1.7449. Against other currencies the D-mark was weaker at DK 1.24070 from DM 2.97 from DM 2.9610.

DANISH KRONE—Basically weak, suffering two devaluations since the EMS began last March—The krone showed marginal gains against its EMS partners and sterling, but lost ground to the U.S. dollar. The latter was fixed at DKr 5.4585 on Friday, while sterling eased to DKr 12.4070 from DKr 12.4080. The D-mark was weaker at DKr 3.1275 against DKr 3.1290 and the Dutch guilder rencies the D-mark was weaker from DKr 12.4080. The D-mark overall. Sterling rose at the fixing to DM 3.97 from DM 3.9610. DKr 3.1290 and the Dutch guilder and the Italian lire was stronger eased to DKr 2.8280 from DKr at DM 2.158 from DM 2.157 per 2.8350.

THE POUND SPOT AND FORWARD

Feb. 4	Day's spread	Close	One month	74 P 4	Three months	p.,
U.S. Canada Nethind. Belgium Danmark Irsland W. Ger. Portural Spain Italy Norway France Sweden Japon Austrie	2.2695-2.2870 2.6270-2.6490 4:371-4.411, 64.35-64.85	2.2850 2.2660 2.6475-2.6485 4.40-4.41 10.762-1.0762 1.0762-1.0762 1.0762-1.0762 1.0752-1.15.00 151.05-151.15 1.8461-1.3471, 11.162-17.1163-17.11.163-17.11.153-17.11.173 9.524-9.5334 9.524-9.533	0.77-0.67c pm 0.98-0.88c pm 22-12c pm 3-2-12c pm 3-2-2cro dia 0.05-0.5p dia 3-2-2pf pm 15c pm-25 dia 10-50c dia 11-3-3-10c pm 2-3-3-0c pm 2-3-3-0c pm 2-3-3-0c pm 2-3-3-0c pm 2-3-3-0c pm	4.92 6.17 168 - 1.070 - 1.276 - 1.276	1.83-1.73 pm 2.55 2.45 pm 6-5-5- pm 56-45 pm 56-45 pm 5-25-52dg 9-39 pm 20-136 dia 11:-137 dia 11:-152 pm 11:-164 pm 71.54 pm 71.54 pm 71.54 pm 71.57 pm	3.7 3.7 3.0 3.0 -1.0 -1.0 -1.9 -2.7 -2.7 -2.7 -2.7

THE DOLLAR SPOT AND FORWARD

Feb. 4	Day's Spread	Close	One month	p. p.		O.E.
UK† Indendt Canade Nathlad, Belgram Dommark W. Gar. Portugal Spain Italy Horway France Swaden Japan Austria Swatz	2.2685-2.2870 2.1135-2.1165 1.1533-1.1531 1.1536-1.530 1.5269-1.9308 28.31-28.39 56.35-05.35 66.15-66.22 208.80-809.55 4.8915-4.8955 4.0815-4.0950 4.1875-4.7510 239.90-240.70 12.528-12.535	2.2850-2.2860 2.1160-2.1165 1.1553-1.1556 1.9268-1.9278 26.37-23. 5.4550-5.4565 1.7410-1.7420 50.15-50.25 68.15-66.18 908-90-920 4.8915-4.8925 4.0815-4.0835 240.20-240.30 12.528-12.533 1.6305-1.6315	0.77-0.47c pm 0.85-0.80c pm 0.07-0.03c pm 0.43-0.34c pm ½c pm-1 dis 2.00-2.50ore dis 0.80-0.70pt pm 13-23c dis 35-50c dis 31-41-11ro dis 1.60-1.19ore pm 0.50-0.55c pm 0.30-4.90re dis 1.30-1.15y pm 5.50-4.90gre pm 1.19-1.12c pm	4.68 0.32 2.46 -4.95 -7.77 -4.37 -7.78 3.31 1.76 6.12 5.00 8.50	4,15-3 65 pm 1,65-1.55 pm 0,70-0,40da 3 50-3,35 pm 17,75-15,75p 3 52-3 45 pm	402 45035 -54535 -54535 -54535 -55535 -55535 -55535
• • • • • • • • • • • • • • • • • • • •			ileeancu l	COMMENT.	Decimental of	10

t UK and Iroland are quoted in U.S. cultance. Petersta product cultotics discounts apply to the U.S. dollar and not to the individual cultotics

CURRENCY MOVEMENTS CURRENCY RATES Bank of : Morgan England Guarant Index changes Canadian S. Austria Sch. Belgian F. Oaniah K. D'Mark Guildet French Fr. Ura

OTHER MARKETS

Norwege Kr. 9 Spanish Pts. 8 Swedish Kr. 10 Swiss Fr. 8

Fab. 4	£	s	:	L' Note Rates
Argentina Pese Australia Dollar Brazil Cruzeiro Finland Markka Greek Prachma	2,0600 2,0640 99,01 100,01 8,44 8,45 87,106 89,178	0.9030-0.9035 43,30 43,75 3,7130 3,7150 n'a	Austria Belgium Denmark France Gormany	12.40 12.47 9.27 9.33 3.95-528
Hong Kong Dollar ran Rigi Kuwait DinonKD) Luxembourg Fro. Malaysia Dollar	0.614-0.624 64,70-64,80 4,9460-4,9570	38,10-39,50 0,2726-0,2727 28,31-28,33	Japan Netherlands. Norway. Portugal	545 550 4.37-4.48 11.11-11.18
New Zealand Dir. Saudi Arab. Riyal. Singapore Dollar. Sth. African Rand J.A.E. Dirham	7.59-7.69 4.9040-4.9150 1.8685-1.8720	3,3808-3,3613 2,1580,2,1590	Swedon Switzerland United States	9.46-9,52

• Indication only

EXCHANGE CROSS RATES

Reigian Franc ...

Denish Krone ... German D-Mark French Franc ... Dutch Guilder

EMS EUROPEAN CURRENCY UNIT RATES

40.5318 7.79475 2.49565

5.84713 2.75939

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Feb. 4	PoundSterling	U.S. Dollar	Dautschem'k	Japan seYen	FrenchFranc	Swiss Franc	DutchGulld'r	Italian Ura	Canada Dolla	r Belgipn Franç
Pound Sterling	0.438	2.286	3.983	549.0	9.333	3.730	4,405	1847.	2,648	64.75
U.S. Dollar		1.	1.743	240.2	4,083	1.632	1.927	808.1	1,159	28.33
Deutschemark	0,251	0.574	7,254	137,9	2,343	0.937	1,106	465,8	0,665	16.26
Japanese Yen 1,000	1.821	4.163		1000.	17.00	6.794	8.024	3364.	4,823	117,9
French Franc 10	1.072	2.449	4.267	688.3	10,	5.997	4,720	1979.	2.937	69,38
Swiss Franc	0.268	0.615	1.068	147.2	2,502	1.	1,181	495,2	0.710	17,36
Dutch Guilder	0.827	. 0.519	0,904	124,5	2,119	0.847	1.	419.5	0,601	14.70
Italian Lira, 1,000		1,237	2,156	297,2	5.053	2.D19	2,385	1000.	1,434	35.06
Canadian Dollar Relgian Franc-100	0.378	U.863 3 530	1,504	207.3 847.9	5,524 14.61	1.409 5.761	1,664	697.5 2853	4.090	23 45 100

±1.54 ±1.125 ±1,357 ±1,512 ±1,568 ±4.08

EURO-CURRENCY INTEREST RATES

The following nominel rates were quoted for London dollar certificates of deposit: months 14,20-14.30 per cent: one year 13.65-13.75 per cent.

Feb. 4	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian S	Japanese Yen
Short term	17.17;4 18-18;4 18:9-18;5 17 ³ 4-18 17-17;4 16-16;4	1358-1358 1312-1354 1578-1418 1414-1412 1414-1412 1312-1415	1212-1312 1212-1312 1316-1314 1316-1378 1312-1378 1316-1315	107g-111g 102g-111g 114-1113 114-115g 114-1112 114-1112	13g-15g 24-212 47g-5 5-1-5,1 55g-57g 53g-57g	81, 81, 84 84, 88 87, 810 81, 810 81, 810 81, 810 81,	1179-12/8 1179-12/4 12:-12/1 12:-12/1 13/4-13/2 13/4-13/2	13-16 16-19 181 ₂ 191 ₂ 18-201 ₂ 19-201 ₂ 30-21	13 ¹ 2-13 ¹ 3 13 ¹ 3-14 14 ¹ 4-14 ¹ 3 14 ¹ 6-14 ¹ 3 13 ¹ 1-13 ¹ 3	41:-91q 62:17:3 7:3-8 8::-85; 8:5-85; 8-85;
1		451 10		- 41 424						

Long-term Eurodollar two years 12½-13 per cent; three years 12½-12½ per cent; four years 12½-12½ per cent; five years 12½-12½, per cent; nominal closing Short-term rates are call for sterling. U.S. dollars and Canadian; two-day cell for guilders and Swiss francs. Asian rates are closing rates in Singaporo.

GOLD

INTERNATIONAL MONEY MARKET

French rates firm

value today, maturing between February 8 and 20, at an unchanged rate of 12 per cent. unchanged rate of 12 per cent. The injection of funds was below market expectations however—on January 28 the authorities bought FFr 7bn of paper—and day-to-day conditions are expected to remain tight in the Paris money market throughout this week. Call money rose to 191, per cent from 12 per cent 121 per cent from 12 per cent yesterday, but period rates were unchanged. Last month call money averaged 11.989 per cent compared with 12.173 per cent in December and 6.643 per cent in December, and 6.643 per cent in

January 1979. An auction of FFr 1.2bn of bills takes place today. In Singapore United Overseas Bank, one of the big four Singapore banks, increased its prime lending rate to 10 per

US

Bills

reasury

The Bank of France acted to cent from 91 per cent. Since add liquidity to the banking the beginning of the year the system yesterday by purchasing Development Bank of Singapore, FFr 3bn of first category paper, another of the big four, has raised its prime rate from 91 per cent to 101 per cent in two domestic banks continue to post prime rates of 93 per cent. The United Overseas group, which includes Chung Khaiw Bank and Lee Wah Bank has also increased rates on one-month and three-month fixed deposits to 8 per cent.

UK MONEY MARKET

Small shortage

Bank of Eugland Minimum Lending Rate 17 per cent (since November 15, 1979)

Conditions were easier in the London money market yesterday, although money remained fairly

tight after early expectation
pointed to a slight surpl
credit on the day. In the en
market remained in o
shortage, and the autho
gave assistance by lendi
small amount to one or tw
count houses, overnight at
of England Minimum Le
Rate of 17 per cent.
Banks brought forward
run down balances from F
LONDON MONEY RA
Feb. 4 Gertificate inter
Feb. 4 Certificate inter

MUNEY RATES	
NEW YORK Prime Rate	
GERMANY Discount Rate Overnight Rate One month Three months Six months	8.55 8.70
FRANCE Discount Rate Overnight Rate One month Three months Six months	9.5 12.125 12.0626 12.3125 12.1875
IAPAN Discount Rate	8,1875

metal showed little movement after the opening of New York

metal opened at \$664-670 and was fixed during the morning at \$672.00. The afternoon fix showed a slight drop to \$669.75, and the

Quiet trading

Gold traded quietly for most of yesterday in generally feature-less conditions to close \$101 an ounce lower at \$664.670. The with FFr \$2.000 (\$6870.95 per ounce) compared with FFr \$2.000 (\$6889.00) in the with FFr SS,000 (\$669.00) in the (\$664.97) on Friday. In Frankfurt the 124 kilo bar

was fixed at DM 37,780 per kilo (\$672.00 per ounce) against DM 37,970 (\$676.71) previously.

February 4 Fobruary 1 Gold Bullion (fine ounce)

repayment was made of the loans in the early part, and small amount lent to the market closing balances were taken at on Friday, and the houses were $16-16\frac{1}{2}$ per cent. also faced with the repurchase of eligible bank bills previously sold to the Bank of England. On the other hand there was a moderate excess of Government disbursements over revenue payments to the Ex-

chequer, and a small decrease in the note circulation. Discount houses paid around 16% per cent for secured call

Short term interest remained firm against a background of tight money condi-tions and doubts about any early fall in MLR. One, two and three month interbank funds were all quoted at 17}-17fa per cent, while

six, nine and 12-month rates were firmer than on Friday. Rates in the table below are nominal in some cases.

Feb. 4 1980	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth, negotiable bonds		Company Deposits	Discount market deposits	Treasury	Eligible Sank Bills 4	Fine Trade Bills 0
Overnight		174-1712		!	_	1714-1754	1619-17			
2 days notice		_	1754-18	' - ;	_	1 - 1			I — :	
7 days or	- 1		-	: -	_	1 —	:	_	1	_
7 days notice	;	1712-174	177g-181g	i — I	1814	173.18	165, 17		l· ;	
One month	184-17분	175: 17/2	1779-18	. 19\s.18\ [184		164 16 a	1516	1743-1874	
Two months .	184-17	173, 17	_	18/a-185a	181		16to 165	16. 18.1	17 3.17	184
Three months.	18 :- 174	174-17	1752	184 174	18 "	18.184	164-164	1211	17 . 17	18
Six months	1674-16-1	161:17	161-165	17 161 ₈	17	1712	********	TOTE TOLE	16 a 16 4	17
Nine months		16's 16m		16 in-16 le	161c	**		_	TO-8- TO-4	
One Year		15:: 16	1513.16;;	161a.1534	161			:		
Two years			15 ₃₈ -15 ₃₈	10-6-10-4		: _				· •
					1.				. –	. –

Local authorities and finance houses seven days' notice, others seven days fixed "Lond rigage rates nominally three years 15½-15½, per cent; four years 15½-15½, per cent; five years 15½-rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17 to build 17½, per cent

Turnover nears 1977 record despite industrial unrest

BY NIGEL SPALL

FORWARD

nonth 4 (5-3 % b)

FORWARD

3.72 1.33.7.76 at 1.35.7.76 at 1.35.70 at 1.35.7.76 at 1.35.70 a

3.31 4.15-165 m 1.76 7.65-155 m - 0.86 0.20-3 m 8.12 3.50-2.5 m 8.50 17.75-3 m 8.50 17.75-3 m

forward Dismuss Some

INCY MOVEMB

index 1

25.3

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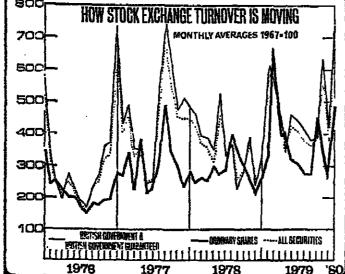
2 801

STOCK EXCHANGE turnover in January came close to the all-time record reached in September, 1977.

Despite the prevailing labour national tension, overall turnover jumped by £9.2hn, or nearly 75 per cent, on the month to £21.6bn—its highest since the record £22.4bn 28 months earlier. The FT turn-over index for All Securities in January came to 660.8 compared with December's 378.5 and the 1979 monthly average of 431.5.

January turnover in Gili-edged rose by £7.4bn to £17.5bn, Trade in short-dated stocks contributed £8.9bn, over 136 per cent up on December's £3.8bn. Trade in other Government securities rose by nearly 37 per cent to £8.5bn. value per

The average value per bargain in the shorts increased to £229,040 last month com-pared with December's £159,740, and the total number of bargains in Gilt-edged rose by 35,130 to 106,672. The FT Turnover index for Government Securities mirrored increased business by jumping to 739.5 compared with the 1979 average of 454.8. The Financial Times Government Securities index improved from an end-December level of 65.10 to end the month at 67.27—a rise of over 3 per cent. Equities displayed marked



spectacular gyrations in the price of gold bullion.

A record level of \$335 an ounce for builton was reached, on January 18, but the biggestever one-day fall, \$135, was re-corded on January 22. The London gold price ended the month a net \$123.5 higher at \$650 and the Financial Times Gold Mines index jumped 61.1 over the same period to 329.9.

Business in equities last month rose by £1.25bn to events stimulated to 393,618 with the average at 453.3.

ber's.

The FT Turnover index for Ordinary shares on the month rose to 488.7 compared with December's 265.8 and the 1979 monthly average of 358.5,

Equity share prices made good progress with sentiment helped by the strength in British Funds and, from an end-December level of 414.2, the Financial Times Industrial resilience to the prospect of a \$2.74bn. The number of bar Ordinary share index closed the lengthy steel strike, while inter- gains in equities rose by 170,564 month a net 39.1 points higher

Category	Value of all purchases & sales £m	Total %	Number of bargains	Total %	Average value per day £m	Average value per bargain £	Average number o bargains per day
British Govt and British Govt. Guaranteed: Short dated (having five years or less to run)	8,926.8	41.4	38,975	7.2	405.8	229,040	1,772
Others	8,545.9	39.6	67,697	12.4	388.4	726,238	3,077
trish Government: Short dated (having five years or less to run)	569.8	2.6	7,454	0.3	25.9	391,881	66
Others	338.4	1.6	2,863	0.5	15.4	118,191	130
UK Local Authority	281,3	1.3	5,546	1.0	12.8	50,720	252
Overseas Government: Provincial and Municipal	11.7	0.1	1,90\$	0,4	0.5	6,159	86
Fixed interest stock, prof. and prefd. ordinary shares	153,6	0.7	32,000	5.9	7.0	4,802	1,455
Ordinary shares	2,738.8	12.7	393,618	72.3	124.5	6,958	17,892
Total	21,566,4	100.0	544,058	100,0	*980-3	*39,640	*24,730

CONTRACTS £3.5m plant design work

PETROCARBON DEVELOP-MENTS has been awarded con-tracts to provide design services for the ICI pharmaceuticals division at the Aylon Works. Severnside. The projects, valued in 13.5m, involve the engineer-ing design of batch process plant based on existing ICI process technology. The new facilities will be part of an existing much iarzer complex medicines. Petrocarbon Developments, based in Manchester, is part of the Burmah Engineering

Spring Grove Securities, industrial work wear and cabinet towel rental, lientey-on-Thames, has ordered 16 SPERRY UNIVAC V77 600 minicomputer systems worth £415,000. The systems will replace an ICL 1903 used on a service hureau basis.

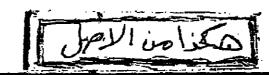
POLYMARK INTERNATIONAL has won a contract, worth over £300,000, for machinery to re-equip the laundry of the Savoy Hotel.

SIGMUND PULSOMETER PUMPS, a member of the SPP Group (a Booker McConnell com-pany) is to supply another pump value per bargain of £6.058 Sullom Voe oil terminal in the slightly higher than December 1 valued at more than £130,000, has been placed by Foster Wheeler on behalf of BP Petroleum Development.

> Three orders for vibratory Three orders for vibrality compaction equipment have been won by STOTHERT AND PITT from British plant here companies. The orders from Eddison Plant, Isis Plant and Vibroplant are collectively worth over £121. Three hundred machines have been confered and the orders. been specified and the orders include single roll and tandem models, pedestrian and rideon duples, as well as the larger towed trailer type

PETROCARBON DEVELOP-MENTS has won a contract worth over £270,000 to supply a cryogenic nitrogen plant to the Alexandria Petroleum Company of Alexandria, Egypt. The PN12 plant will produce high purity nitrogen at an output of 320 cubic metres per hour, some of which will be available in liquid form for storage. The narrogen will be used to create mert atmospheres and for purging.

GEC: TELECOMMUNICATIONS has received a contract worth more than fim for the fourth stage of the communications network it is supplying to the Department of Transport to improve traffic control facilities on the motorways. The system will provide high-quality bi-direc-tional transmission circuits for the co-ordinated control of motorway signals, telephones and other devices by remote computer. The of the 2x12-circuit carrier net-work will be installed on the M5 between Birmingham and Bristol and on the M4 between London



All of these Bonds having been sold, this ennouncement appears as a matter of record only. 🦪

New Issue / January, 1980

3,500,000 Shares



Common Stock (\$6.66% par value per share)

Goldman, Sachs & Co.

Lehman Brothers Kuhn Loeb

Bache Halsey Stuart Shields

Donaldson, Lufkin & Jenrette

L. F. Rothschild, Unterberg, Towbin

The First Boston Corporation

Salomon Brothers

Merrill Lynch White Weld Capital Markets Group

Bear, Stearns & Co.

Dillon, Read & Co. Inc. Lazard Frères & Co.

Drexel Burnham Lambert

Warburg Paribas Becker

ABD Securities Corporation

A. E. Ames & Co. **Basic Securities Corporation**

Arnhold and S. Bleichroeder, Inc.

Atlantic Capital F. Eberstadt & Co., Inc.

A. G. Edwards & Sons, Inc.

Alex. Brown & Sons

EuroPariners Securities Corporation

First Southwest Company

Eppler, Guerin & Turner, Inc. Robert Fleming

Wertheim & Co., Inc. 🐇

Howard, Weil, Labouisse, Friedrichs Ladenburg, Thalmann & Co. Inc.

Kleinwort, Benson Moseley, Hailgarten, Estabrook & Weeden Inc.

New Court Securities Corporation Oppenheimer & Co., Inc. Piper, Jaffray & Hopwood

Rauscher Pierce Refsnes, Inc. The Robinson-Humphrey Company, Inc. Rotan Mosle Inc.

Scandinavian Securities Corporation Tucker, Anthony & R. L. Day, Inc.

Thomson McKinnon Securities Inc. Underwood, Neuhaus & Co. Wood Gundy Incorporated

Banque Nationale de Paris

Pictet International Ltd.

Baring Brothers and Co.,

Bayerische Vereinsbank

Pierson, Heldring & Pierson N.V.

PKbanken

Ultrafin International Corporation

Isn't it time your company got its expenses together?

D.115 28	/ 8 / 19/5	MINICOUZER PE	
	·		PREVIOUS SPLANCE
REFERENCE NUMBER	LISTING OF CHARGES AND CREDITS	STATEMENT OF ACCOUNT	372.24
0674227	PAYMENT RECEIVED	-THANKYOU	372.24
0616074	BRITISH AIRWAYS		94.50
0770064	NOVA PARK HOTEL Z	URICH	ſ
	250.58 SWISS FRANCS		73.43
0800334	HERTZ RENT A CAR A	16	
	118.60 SWISS FRANCS		34.75
0790064	STROGANOFF REST. 2		
	182.87 SWISS FRANCS		53.59
0784035	HUNSTRETE HOUSE H	OTEL	·
REVIOUS 3	72.24 NEW CHARGES 283	3.37 REV/ 372.24	NEW 283.37 BALANCS 283.37
Heafu geola	vous Gard Account Marther		a the relicitant Percentual Survices on

collection of their Dardmentiper representative is AVAILABLE ON EXTENSION 6350

The statement above details an American Express Company Cardmember's business trip to Switzerland.

He avoided the need for a large cash advance or company cheque by charging the air ticket to the American Express Card. He not only saved himself time and trouble, he automatically gained £35,000 Travel Accident Insurance free

When he booked in at his hotel, he told the receptionist that he'd settle the bill by Company Card rather than Swiss currency.

There were some people arranging a cash deposit at the car hire desk when he arrived. They were still there when he drove away in his hired car to a meeting outside Zurich.

After a successful meeting, he entertained his client for dinner at a restaurant in the city, where the Card was again welcomed.

But it's his company who benefited most of all. Because throughout the trip he looked and acted like a professional businessman.

He didn't get tied up in lengthy discussions about currency exchanges or cheques. And with no pre-set spending limit on the Card, he didn't have to worry about running out of funds. He just got on with his job efficiently, and let

the Company Card take care of the details. About four weeks after he returned, his

company received the statement of account above, together with uniform detailed receipts of each transaction.

At the same time similar statement packages were sent for all their other Cardmembers. From sales managers to the company chairman.

A summary statement provided the accounts department with a clear overall view of all the previous month's expenses. Which they settled with a single cheque.

The individual statement is only one facet of the simplest, most efficient system for dealing with business expenses.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs, just cut out the coupon or key into Prestel 269.

And start getting your company expenses

The American Express Card for Companies – it's more businesslike.





Fo: The Manager, Company Cards, American Exp Company, Freepost, P.O. Box 91, Brighton BN2 12	ress ZQ.
Please let me have details of the American Express Company Constant appropriate to the needs of my company.	ard
The following number of employees incur business expenses.	

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Fairness in international banking controls: a proposal

national bank lending market has led down numerous paths and a set of required capital-toasset ratios for commerical banks is one of the main suggestions. It could take the form of an international protocol, possibly under an existing umbrella organisation such as the OECD, setting out minimum capital/ asset ratios for commercial banks operating beyond national

But what is capital? Should unsecured debentures or con-tingency reserves be regarded as a part of capital? What should be the attitude towards investments in fixed assets? Should inflation-induced increases of the value of real estate be added to capital? Or should all or some part of the funds tied up in fixed assets deducted from capital in calculating standard ratios?

Bank regulators all over the world have been wrestling with problems such as these for many their own prudential regulations and, in fact, differing views on most questions can be found, Nevertheless, some agreement must presumably be reached at an international level in order to achieve a measure of assets requality in the treatment of capital banks between jurisdictions if The control of the control

Obviously, if the market does not view strong capital asset each of the three. In the first ratios as important, perhaps place, a bank should have

unchecked and the objective of control of risk in the Euro-Currency markets would be vitiated.

In contrast with most other industries, the amounts tied up in fixed assets in the banking business are relatively small when compared with total assets. It is a major role of capital in a bank to provide a buffer against possible loss by

Solvency

many reasons: loans can prove uncollectible, securities may go into default or bank operating expenses may exceed income. For whatever reason, losses, when they occur, are a charge against the year's profits and, if profits prove insufficient, against capital funds-in the form of either contingency reserves or shareholders' funds. The liquidity position of individual banks is tied very closely to the capital position. In the 1930s, the failure of many U.S. banks was attributed to the frozen nature of their assets rather than to a lack of

The concept of solvency can be considered under three circumstances with a slightly different role for capital under

bank as a going concern. Second, the bank must be able to fend off a sizeable loss peculiar to that bank. Third, the challenge would be a generalised financial panic. In the case of a financial panic, only central banks could pro-vide sufficient support. That support would be most likely to arise from the need to provide liquidity rather than to provide for losses in the usual

It seems fair to conclude that bank capital funds must be sufficient to assure both the public and the supervisory authorities that the bank is in a position to withstand whatever strains may be placed upon it, apart from a situation of "financial panic" where the burden falls on central

From a prudential point of

view, it is widely agreed that

for the level of bank capital. Banks with apparently adequate capital (as defined by the formula used by U.S. authorities for instance) have failed. The soundness depends on such things as the quality of assets, the quality of earnings, the age and size of the bank, the experience of management and liabilities may affect the assess- be controlled.

extent on money market the Euro-Currency market there deposits? Knowledge of all could be a protracted series of these factors should be available to the prudential authorities and enable them to reach capital be defined? Would capital sound conclusions without fol-lowing a rigid ratio system.

the Euro-Currency market there doubt that a bank's entire capi-could be a protracted series of tal funds could be called upon tal have to be allocated by individual banks, with some portion designated for domestic Nevertheless, a required minimum capital ratio is the rule operations and some for foreign

priorities between foreign and in many countries. As a result, An international protocol on minimum capital ratios would ensure that Government-owned as well as privately-owned banks had reasonable levels of capital. Allowing a very low level of capital is equivalent to the unfair competition that occurs when exports are subsidised.

regulatory authorities in some jurisdictions are in a position to withhold permission for a bank to add to capital where they consider it desirable to restrain the expansion of a

A clear example is the requirement of the proposed new Canadian Bank Act that banks controlled by a single shareholder or a small number of shareholders must keep their essential measure of bank total assets at or below 20 times authorised capital, of which half must be fully paid. Furthermore, banks may not add to their capital structure without specific authorisation. the liquidity of assets. In addi- As a result, the rate of expantion, the nature of a bank's sion of closely-held banks will

Deducting from capital the value of investments in real estate and in subsidiaries would enhance the control that may be exercised by the authorities.

partially owned subsidiaries

should be deducted from capital

that may be used in comparisons

creases in hank balance-sheets

to be permitted simply through

the impact on capital funds of the revaluation of fixed assets.

In my opinion, bank invest-ments in fixed assets, as well as investments in wholly owned or availability of capital in a loss

restriction on a bank's expansion, it would rest with bank

managements (or national Gov-ernments) to decide on

In most jurisdictions banks are required to deduct reserves before arriving at the amount for specific expected losses from for control purposes. It might however, many banks are otherwise be possible for in-allowed to carry unallocated contingency reserves. Certainly, general contingency reserves should be considered a part of capital funds because they are obviously available as a cushion against losses.

Preferred stock issues should also be considered as capital for prudential or control purposes. In developing a definition of However, unsecured debenture capital the allocation of capital are debt instruments and if the between domestic and foreign bank is to remain an operating operations could be a con- entity, must be repaid. In my

ordinated to deposits, they do represent additional protection if needed in a domestic or in foreign operations. Thus, if cur-

Under a hypothetical system of international control national governments would monitor the global activities of banks in their jurisdiction and the international agreement would be concerned only with a definition

of capital and the ratio that must be kept with another

balance sheet item as defined. Suppose, for example, capital were considered to be shareholders' funds (preferred and common) plus contingency reserves less the value of fixed investments. The agreed rate might be set at, say, 24 per cept of total assets less the value of fixed investments and less any contingent liabilities included in total balance sheet figures. It would be the respon-sibility of each regulatory authority to ensure that banks with head offices in its jurisdiction refrained from expanding their consolidated assets beyond this limit.

Whatever objections one may raise to such a system from the point of view of additional control on the expansion of commercial banks if the ratio were high enough. It would also importance of profitable operations. Managements might find that the

THE SEARCH for a method of because of state ownership, sufficient liquidity, sufficient required. Has the bank a large extension of this method of tentious issue. In my view, there view, there view, they should not be con-restrictions on their ability to prudential control of the inter-banks in an "easy" jurisdic capital and an adequate and well spread deposit base, control over bank size as a solushould be no division. One sidered as capital for control expand because of low profit in national bank lending market tion could continue to expand earnings record to sustain the or does it depend to a major tion to controlling expansion of would not wish there to be any purposes, although if sub-relation to capital would cause more stention to be paid to margins. And the resulting somewhat reduced competition might enable such increased margins to be achieved.

Protocol

There would be another side effect of such a system. An international protocol on minimum capital ratios for commercial banks would ensure that Government-owned banks as well as privately-owned banks in all major countries had reasonable levels of capital. For privately-owned banks it essential that return on capital be sufficient to ensure son tinued shareholder supp Allowing banks to operate with a very low level of capital is convalent to the unfair com-petition that occurs in inter-national trade when exports are subsidised or state corporate operate at substantial losses.

This raises the question of whether, apart altogether from the desire to control expansion in Euro-Currency markets, there is a need for the banking industry to be brought under unwarranted regulation, it an international protocol on would, in fact, place some capital/asset ratios to control GATT and other international

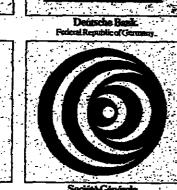
agreements govern the movedent of the Bank of Montreal

Ebic: The combined experience of seven major international banks of Europe.









Wherever you are and whatever your financial needs, the chances are we can help you.

Our 7 independent banks can offer you a lot of financial weight and expertise.

We have 10,000 branches, over 200,000 people and our balance sheets, when combined are in excess of \$280 billion.

And that's just in Europe.

World-wide we also have an Ebic network:

In America, European American Bank.

In Asia, European Asian Bank, in Hong Kong, Indonesia, Korea, Malaysia, Pakistan, Singapore, Thailand and The Philippines.

Also specialised financial services are provided by Banque Européenne de Credit in Brussels and European Banking Company in London.

In the UK Midland Bank is the Ebic shareholder you should talk to.

Finance for business wherever there's business.

NOTICE OF REDEMPTION

To the Holders of

CYANAMID INTERNATIONAL DEVELOPMENT CORPORATION

(now American Cyanamid Company)

534% Guaranteed Sinking Fund Debentures Duc 1980 NOTICE IS HEREBY CIVEN that, pursuant to the provisions of the Indenture dated as of

September 1, 1965, as supplemented, providing for the above Debentures, 81.185,000 agengate principal amount of said Debentures have been selected by lot for redemption on March 1, 1971, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accused interest to said date. The serial numbers of the Debentures selected for

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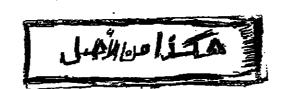
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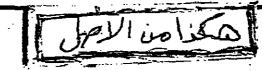
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Feb.	Jan.	Jan. 30	i Jan. i Jan. i 29			- ├	79-80	Since C					
#Indust'ls 160, 16				28	25	,		High	Low				
							Dý (27/2)	184,64 (11/1/78)	5,62 (30,8/82				
7-5-1-1-1-1-1	9Composite 115.12, 114.18 115.20 114.07, 114.85 113.81 115.20 96.16 125.95 111.775 (36/8/82 - 98/1/80), (27/2) (11/1/75) (16/8/22 98/1/80), (27/2) (11/1/75) (1/6/82 98/1/80), (27/2) (11/1/75) (1/6/82 98/1/80), (27/2) (11/1/75)												
) Ja	ın. 30	, Ja	ı, 23	Jan.	16 Ye	ar ago (a	approx)				
Ind. div. yield 2		4.89 1 4			.97	5.1	1	4,99					
Ind. P/E Ratio		8	.29	8	.14	7.9	5	9,06					
Long Gov. Bond Yis	1d	11	.16	10	.68	10,3	8	8,64					
N.Y.S.E. ALL CON	MON						es and F	alıs Jan. 31					
Feb. Jan. Jan. J	B.7	1979		- Is	aues T	raded	T 868		1,903				
1 31 30	29 ;]		Low	— F:	ult≤	raded	672	628 912	904 625				
66,0865,6166,1466	5.49 56 130/	6.14 1/80)	55.8 (27/5	9 U	rchan	ged	410	365 224	376 132				
				N	w Lor	NS	25	39	38				
MONTREAL	ļ Fe	в ъ. ј.	ian. I	Jan.	Jan.	<u> </u>	197	2-80					
	- I.—	1	31	30	29	;	lgh 	Lov	k				
Industrial Combined	37	1.28 3.86	571,62 544,71	368.98 541.84	357.80 335.78		(61/1/88) (61/1/80)	219.19 225.50	(2/1) (2/1)				
TORONTO Compos	ite 20	52.6 S	827.7	2025,6	1988.7	2032,6	(1/2/86)	12 fb.8	(2/D				
	NE	W Y	ORK	ACTI	VE S	TOCKS							
Friday St	cks Ci	gnieo	Cháng on	8			Stocka	Closing	Change				
Rosario Asrcs. 1.070),700	74 ² 2	day	a An	ner. Y	ei. Tal.	traded 543,000	price	day + 3				
loward Johnson 955 Nobil720), 100	23¾ 61	-14 +24	, Ва	xter (Lab. ,,,	603,700 441,000	424	+ 5 + 2				
fexaco 635 Chrysler 614	7,700	351 ₄ 107 ₈	+ 4	W	istng.	Electric	424,300	257.	-3				
						*** ******			_ [

-	Feb.	Febr	,		197	79-80 .		
 	4)	Jan 31	Jan.	High	Low		
AUSTRALIA Sydney Ali Ord. (1938/59) Metals & Minia (1958/59)		979.14 15868.32				545,72 (2/1/78) 2587,54 (2/1/79)		
AUSTRIA Credit Aktien (2/1/82)	68.81	1 68.59	88.88	88,63	89,40 (7/1/80)	81,58 (2/8)		
BELGIUM Belgian SE (\$1/12/65)	105,86	198.55	105,28	183,86	109,47 (5/10)	98,88 (8/1/79)		
DENMARK Copenhagen SE (1/1/75)	81,69	81.64	81.56	81,48	\$7.48 (25/N)	81.89 (4/2/60)		
FRANCE CAC General (29/12/81) Ind Tendance (28/12/79)	(u) 107,3	108,4 187,0	798.7 107.1	108,5 106,5	175,7 (5/16) 107.5 (4/2/68)	82.4 (16/2) 85.6 (4/1/80)		
GERMANY FAZ-Aktien (51/12/58) Commerzbank(Dec. 1858	232.05 729.5	229.28 720.40		224.6 706.8	265,68 (16/1/79) 889.88 (16/1/79)	218,11 (21/1/80) 689.3 (21/1/80)		
HOLLAND ANP-CBS General (1570) ANP-CBS Indust. (1870)	85.7 68,1	84.5 67.2		84,5 67,0	94.2 (24/1/78) 85.9 (24/1/78)	81,8 (21/1/80) 65.5 (21/1/80)		
HONG KONG Hang Seng Bank(81/7/84)	929,61	895.77	997.50	913_66	888.88 (29/1/80)	493.85 (2/1/79)		
ITALY Banca Comm. Ital (1972)	82,64	82.25	99.89	90.58	93,85 (4/18)	88.59 (2/1/75)		
JAPAN Dow Average (18/5/49) Tokyo New SE (4/1/68)		6777.64 6 467.77			8796.53 (2/2/80) 466.89 (2/2/88)	5925,87 (10/4) 436, [8 (18,7)		
NORWAY Oxio SE (1/1/72)	185.86	154.58	130.47	158,59	142.22 (18/12)	74.48 (16/1)		
SINGAPORE Straits Times (1956)	479,78	474.89	468.81	488,58	474.88 (1/2/88)	846,84 (23/ 2)		
SOUTH AFRICA Gold (1958) Industrial (1958)		554.8 468.2		642.8 459.8	556.9 (14/1/80) 475.9 (15/1/80)	228,48 (1/74) 270,58 (2/1/78)		
SPAIN Madrid SE (28/12/75)	(a)	180.48	100.33	100, 15	192,22 (18/1/65)	99.31 (16/1/80)		
	វារួម	874,78	874. 5 8	579 <u>.</u> 27	401,54 (6/2)	88 1_87 (24/9)		
SWITZERLAND Swiss Bank Cp. (81/12/64)	811.5	B.11.5	811.2	8,906	\$28.18 (2/6)	254,00 (6/1/79)		
WORLD Capital Intl (1/1/79)	-!	189.0	139.6	189.5	189.8 (31/1/80)	122_2 (1/8)		

bonds. \$ 400 Industriels. § 400 Industr

Wall St. mixed at mid-session

The Dow Jones Industrial Average was a marginal 1.20 firmer at \$82.68 at 1 pm, while the NYSE All Common index gained 7 cents to \$66.15 and rises narrowly led declining issues by a seven-to-six margin. Turnover amounted to 29.90m shares, well below last Friday's 1 pm figure of 39.19m.

Analysts said the market was

of 39.19m.

Analysis said the market was experiencing a consolidation following the powerful advance during January that shattered weekly and monthly volume records.

However, analysts noted that institutional demand remains strong because of the weakness in the Boud market, and did not rule out a fresh advance later in Volume leader Texaco added

t at \$351, while Exxon, trading ex-dividend, were unchanged at \$62. Mebil lost to \$601 and Texas Oil and Gas 21 to \$371. In the Defence group, Lock-heed shed 11 to \$421, McDonnell Donglas 14 to \$464. Grumman \$1 to \$274. Litten 1 to \$544 and

Raitheon 1 to \$511.

Brown surged ahead 8; to \$381. James River intends to buy the 80 per cent stake in Brown held by Gulf and Western and to offer \$34.64 apiece in cash and securities for the remaining shares. James River rose 12 to \$222, but Gulf and Western eased 1 to \$181.
St. Joe Minerals, which reported sharply higher fourth-

eased to \$18½.

St. Joe Minerals, which reported sharply higher fourth-quarter net earnings last week, gained 2½ to \$46.

Clark Oil fell 12½ to \$40½. Its major shareholder said he has called off talks to sell his 23 per cent stake in Clark

U.S. Steel added I at \$20 exdividend despite forecasting a higher but much below recent high levels, amounting to 330m, compared with last Friday's 770m and Saturday's half-day session total of 330m.

Recently strong Defence-related issues managed to finish still ahead on the day, with Full Heavy gaining Y3 at Y336, Shimadzu Y8 at Y600 and Nippon Seiko Y3 at Y168. dividend despite forecasting a 10 per cent decline in 1980 steel

Closing prices for North America were not available for this edition.

54 791₂ 14 27 2556 1276 281₄ 141₂ 583₄ 5.85 141₈ 28

Price + or

+1

2,876 5,400 2,160 1,000 5,26 2,210 5,290 4,075 2,560 1,640 902 8,000 1,850 3,850

-2 -13 -10 +20 -136 +105 +40 +2 -5 +106

BELGIUM/LUXEMBOURG

associated Madison is considering acquiring Bradford and holds 5.7 per cent of Bradford's Common stock. Braun Engineering lost 1½ to \$23. Directors have voted to omit the first-quarter dividend.

Canada

Markets displayed a firmer tradency at mid-day after busy trading. The Toronto Composite index gained 4.5 to 2,037.1 at noon, while Golds advanced 40.0 to 3,120.6, but Oil and Gas shed 3.7 to 4,243.0. In Montreal, Banks put on 2,93 to 331 90 Banks put on 2.93 to 351.90. Hudson Bay Mining, which withdrew its bid for Rosario Resources, gained CS1 to CS36;.

Tokyo

Following a fresh advance during the morning, the market was subjected to profit-taking and closed mixed to casier on

balance. The Nikkei-Dow Jones Average reached a new record high of 6,817.33 before finishing 2.32 down on the day at 6,794.21. Declines on the First Market section finally outpaced gains by 313 to 281. Trading volume was fair but much below recent high

STOCKS on Wall Street put on a THE AMERICAN SE Market to Y383 following reports that mixed performance yesterday Value Index put on 1.24 to work should resume shortly on among Properties HK Land work should resume shortly on among Properties HK Land work should resume shortly on among Properties HK Land work should resume shortly on among Properties HK Land work should resume shortly on among Properties HK Land work should resume shortly on the construction of a joint petro-chemical complex in Iran.

New World 27.5 cents to HK\$1.450 and Tai Chemical complex in Iran.

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New World 27.5 cents to HK\$1.560 and Tai Chemical complex in Iran.

Average was a marginal 1.20 for one stock split. Bradford buildings and Paper-Pulps were computer gained it to \$14i. inclined to close lower on the Australia

Australia

tricals, put on DM 3.30.

Public Authority Bonds were little changed, recording scattered movements limited to 20 pfennigs either way. The Bundesbank sold DM 7.2m nominal of paper in open-market operations, after selling DM 12.3m last Friday.

Hong Kong After relinquishing further

ground early in the session on Overseas selling orders, the market shot ahead on a resurgence of strong institutional and general local buying to finish sharply higher on the day. The Hang Seng index recorded a net advance of 26.54 at 920.61, only 16 points below the recently attained six-year peak. Hongkong Wharf regained most of last week's loss, rising

Down Mining shed Y25 to Y375, Mitsui Engineering and Shipbuilding Y5 to Y183, Sony Y20 to Y1,690, Matsushita Electric Y10 to Y725 and Honda Motor Y9 to Y616, while Canon were notable for a fall of Y15 at Y641.

Germany

The market's recent rally was taken a good stage further yesterday on increased foreign buying, with Wall Street's late strengthening aiding sentiment. The Commerzbank index rose 9.1 to 729.5.

BMW advanced DM 4.50 in BMW advanced DM 4.50 in Commercial was partly and controlling interest. The White Industries which had taken the price up from ASS 3.86 to a new all-time peak of 874.09.

Australia

Some issues retracted on profit taking, but markets in general remained buoyant, with Golds. Coppers and Sugars boosted by higher commodity prices. On Friday in London. The Sydney All: Ordinaries index rose 3.86 to a new all-time peak of 874.09.

After the frantic buying in White Industries which had taken the price up from ASS 3.86 to a new all-time peak of 874.09.

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After the frantic buying in White Industries which had taken the price up from ASS 3.86 to a new all-time peak of 874.09.

After the frantic buying in White Industries which had taken the price u BMW advanced DM 4.50 in Motors. BASF, in Chemicals, climbed DM 5.70, largely due to its heavy involvement with oil-based products. Varta, in Electricals, put on DM 3.30.

Behits Authorite Rande warm

Elsewhere in Coals. Oakbridge receded 80 cents to ASL40 and Utah 19 cents to ASL71 on profit. taking, but Cral and Allot Take 70 cents to ASS.20 and Takes 40 cents to ASS.50.

In the Sugar sector, CSR added— 20 cents at ASA.00, Ploncer Sugar— 10 cents at ASA.55 and Bundabers

Sugar 20 cents at A\$8.30.

Brewer Tooths moved ahead 14 cents to A\$2.62 on continuing speculation that it will make a bid for Property group Hookers, unchanged at ASI.09. In strang, Banks, CBC climbed 18 cents to ASI.00 on the half-year results. Bongain ille Copper put of 30 cents to ASS S5. Central Noise man Gold 30 cents to ASS 50. GMK 20 cents to ASS 50 and Emperor 15 cents to ASS 25.

Arabian Oil, which reported sharply higher 1979 net profits, scored an advance of Y100 at Y2,950. Nippon Oil ended Y20 higher at Y1,850, but Teikokn Oil lost Y16 at Y940.

Trading House Mitsui rose Y11

most of last week's loss, rising HK\$5 to HK\$68, while Jardine Matheson closed 90 cents up at Watheson Watheson Closed 90 cents up at Wathe

+0.65 +0.65 +0.65 +0.65 +0.05

Financial Rand US\$1.04 (Discount of 15%)

8	1				ton anna (i						•					
ĕ	1	CANADA			BELGIUM (a			HOLLAND			AUSTRALIA			JAPAN (contin	ued)	· · .
ä					Feb 1	Frs.	+0		۔ ا		Feb. 4	Aust.	+ or	1	Price	+ or
2	1		Feb.	Jan-	 -	-!	- 	Feb. 4	Fis	* ± •		,	:	Feb. 1	Yen	
	1	Stock	1	; 31	Petrofina	5.700	-70 +110	\ 			ANZ Group Alistale Expl Ampol Pet Ast. Pulp Pap Audimco Audimco	4.78	+0.0	f districts	1,110	}
•	1.	Abitib	23	2818	Royale Beige Soc Gen Band Soc Gen Peige. Sofina	2.775	1 +20		78.	9 +1.4 3 +1.6	Alistale Expl	1.60	+0.1	Marubeni	387	
8		Agnico Fagla. 🗆	14	14	Soc Gen Beige.	1.625	-20	AKZO	02.0 25.1	+1.	Ampol Pet	1.40	-0.0		543	+11
2	- [-	Alcan Alumn	7112	72	Sofina	3,580	+30	AholdAKZOAKZO	50	+4	Ast. Pulp Pap	2.50		" Mateushita	726	-10
8	1	Algoma Steel	3574	864	Solvay Traction Elect.	2,490 2,520	-60 55	[AMEY] 1 UZ,)	Audimco,	. 0.38	+0.0	:: [M'to Flor Works.)	562	-8
ž	- [:	Asbestos Bk Montraal Bk Nova Scotia	26%	2634) UUD	1,304	1 14	Bredero Cert.	65.	+2.0	Aust Guarant	1.43	1	"I M'bishi Bank	412	1
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i		Bow Valley	5110	50 l ₂	DENMARK			Elsovier Ennis	178	_0.2	Blue Metal	1.60	+0.2			
2	- ()	BP Canada Brascan A	39 34)-	39 2414	l	1	(I Elifa Com Tet.	78.0		i Bord Hidas	2.15	-0.1		439	+5
8	- []	Brinco.	Bla Bla	754	Feb 4	Price		Gist. Brocades		-	1 DOTA1	~ 9.59		NGK Insulators	463	-1
e e	Hi	Brinco B.C. Forest	285g	2878	l	Krone		l Heineken	71.9) +D.6		8.80	+0.2	: Nippon Denso	1.240	1
š	,,,	Cachiac Party	204	, Zavi	Andelsbanken.	185	1	Hoogovens	22,4	+0,9	' BHP	13.00	-0,2	, j wippan uakkr	735	j -6
4	- 12	Camflow Mines	135	21 137m	Baitica Skand Burm & Wain	845	- 2	Hunter Dough	197	+0.9	·· I Reunewick (Ai)	0.27	m	Nigron Oil	1.850	+20
	- 12	Can NW Lands	204	204	COD Handelabin	7,70	[-1	I KLM	(74.8	+3.2	CSR	6.00	+0.2	[{Nippon Shingan.	620	1 44 2
7					D Sukkerfab	203	-0,75	: I NABTOBN	125.9		LUCCHOURN CARN	1.95)D'0		15.	
	-13	Can Packers Can Perm Mtg	55 183.	19ag	D Sukkerfab Danske Bank East Asiatic Finansbanken	118,76		NAT NEO COR.	119 Eg.	j +0.5	' Coles (G.J.)	2.10	+0.0	Mippon Suisan	5 350	-
8	-12	Can Trustco	22	22	East Asiatic	127.25	i 0.25	Ned Mid Bank	234 F	+0.1	i Gomaleo 🗼	1409	-0.0	Nissan Motor	725	, ,,
	16	Cen Imn Rank	2674	27	Forenede Bryg	278	+0.5	Nedlloyd	83	+0.6	Cons Gold	. 7.40	+0.2	Nisshin Flour	380.	
B	-19	Odn Inds	وا 28	29				Nedlloyd Oce Grinten	[125.6	+6.6		6.20	40.1	Nisshin Stool	175	21
8	13	Odn Inds Odn Pacific Odn Pacific Inv	44%	451g	Forende Damps GNT Hidg	172.25	-0.50	·	16.5	3	. I Costain	2.20	+0.1	a i nomura		(74
2	- 18	Can Super Oil	226	226	Nord Kabel Novo Ind	152.0]				' Crusader Oil	2,70	+0.2	Olympus	740,	-6
B	- 10	dn Tire	271 ₈	2512	Novo Ind	224.75	+1.25	Pakhoed Philips	07.2	+1.2		0.89	+0.0	'I Orient	921	u
	19	Cherokee Res'	131 ₂	122	Papirfabrikker.	III	-0.5 -0.25	Riin-Schalde	20.0 : 34	+0.3 +0.4			; +o'0	Pioneer	1,880	20
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i	15	onsumers' Gas.	284	275e 21	Superios			Royal Dutch Slavenburg's	158.9	+1.3	Hooker	1.09	+0,00	1 SERINI PURIO	30	-5
	18	osaka Res	204	812				Slavenburg's	227.7		. FIC! Aust	J 2 65	+0.05	ISnarp	620 i	-13
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	Į	enison Mines	393	39	1 2	1 1	ì .	UnfleyerViking ResVMF-Stork	110	+0.2	limberiana Min Jones (D)	2.20	_O.a	2 Cénniau	456	+6
,	15	ome Mines	7110	7034	- Feb. 4	Price Frs.	+01	VMF-Stork	36.5	+0.2	I Kia Ora Gold	: 049		Stomo Marino	262	
	1-	reline regionedini;	V74			ris.		I VILV DALLER STREET	29	+1.3	Lennard Oil	1.70	-0,05	I lainei Dengyo		-2
	ļ	om Bridge	1612	163	Emprunt 4/2 197	1,916	-14	Volker-Stevin	64,8] NGI 309	6.10	0.08		Ren I	-1
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i	16	om Stores	2D, 17.6	1934 . 303a	Africus Coold	428	-10 +5	1			Monarch Pet	0.67	+0.03	TDK	.380	-2
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	G	enstar	2754	27/g.	Aquitaine	1,380	+15	ITALY			l Nat Bank	3.35	+0.15	Teikoku Oil		+16
	ĬĞ	t-West Life1	40	140	Au Printemps	.[99,3	-0.7	ITALI			News	.! 2.10	-0,05	Tekio Marine	555 648	+5
	15	ulf Canada	31 I	128 18	BiC Bouygues BSN Gervals Garrefour Club Mediter	551	-2		1	١.	Nicholas int North Bkn Hill	1.50		Tokyo Elect.Pwr.	910	
	1 11	awk Sid. Can ollinger Ags. A	46	46	Bouygues	776	46	Feb. 4	Price		Oakbridge	3.58	+0.88 0.80	Tokyo Gas	181	_Ž
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	ĮΉ	udson's Bay	28	274	Club Mediter.	371.6	+6,5	ANIC,	. 9		Pancon	8.50	+0.20	Toshiba Tokyo Corp	199 240	_I
	1 6	io. Oil & Gas 11	.08 i	108			+6.5	Assicur Gen Banca Com'ie	50,090	+100	I PINNSAY PARA	1970	•••••	TOTO	450	_5 _1
	1 15	usky Oil	83	884	CSF (Thomson),.	567	+8	Bastogi Fin	- 12,70L	H + 155	l Queen Mara't G.,	0.52		TOVO Selkan	440	
	15	nasco	421	1156 425	Cie Bancaire	366 I	+18	F 148. To proceed to the party of the party	1.955	+18	i neckitt & Coin	13.00.1	-0.05	Victor1	808	<u>?</u>
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	l in	terpr Pipe	198	121g 191g	Creusot Loire	68,4	+0.4	Italsider,	188.5	+2.5	Spargos Excl	0.62	-0.03	Yamazakı	515	~ 5
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COMMODITIES and AGRICULTURE

essi Copper leads metal price shake-out

BY OUR COMMODITIES STAFF

e issue: -alteren

\$ 35.7 ST

metai traders returned from their weekend break yesterday convinced that prices of copper and other base metals had been pushed far too York traders were "otherwise

The result was a sharp selloff which left cash copper wirehars £59 down at £1,235.5 a tonne and trimmed significant amounts off lead and zinc

Prices fell quickly in thin and nervous trading during the Electrolytic Refining and Smeltmorning, but steadied in the early afternoon in response to a steadier-than-expected open-ing on the New York market

The downward trend was quickly re-established, however, with sellers of existing "long" positions being joined by new

also influenced by news that later on long liquidation and striking Chilean copper workers stop-loss orders in sympathy bad returned to work and by a with copper. Trade buying and

demand. They also noted that slight rally around lunchtime this is Comex Copper Club Week so many leading New engaged."

Exchange warehouse stocks last week, which was aluminium cash price. rather larger than expected. stocks now stand at 116.400 tonnes.

ing Company of Australia and Mount Isa Mines both raised their copper prices. The ERS price went up from \$A2,560 (£1,257.4) to \$A2,620 a tonne and MIM's from \$A2,540 to \$A2,640.

The London Metal Exchang speculative sellers. lead price also fell very sharply.

Dealers said the decline was initially on hedge-selling and

general lack of fresh physical short covering encouraged a but by the close cash lead was £27 down at 468 a tonne.

The £13 fall in cash zinc to £357 a tonne was mainly due to A slightly bullish factor was spill-over sentiment from the the 2,325 tonnes fall in London copper and lead declines, as was copper and lead declines, as was the £7.5 drop to £893 in the

A relatively modest fall was recorded by tin, with standard cash metal ending £57.5 down at £7,287.5 a tonne. This reflected the \$M10 weekend decline in Penang, expectations of further arivals from the East, poor UK physical offtake resulting from the steel-workers' strike and a 175 tonnes rise to 3,290 tonnes in LME stocks when a small fall had born ex-

Other changes in LME stock levels were a 600 tonne fall to 15,075 tonnes for lead and a

tories are in delapidated condi-

Ugandan tea estates recovery

MITCHELL COTTS, the inter- that production can be boosted ability of tea chests. The facnational trading group, expects its Ugandan tea estates to reach but late last year a settlement year. reached with the new administration allowing the group to resume management.

Following a visit to the area by a company team. Mitchell restore the estates to their former production level. The first stage, which should be completed by July this year, will concentrate on rehabilitating the factories to permit weekly production of around 20 tonnes from the area, around one-third of the total, which can already be cultivated.

The second stage, which will around two thirds of the area and increase production to 65 tonnes a week. The final phase will restore production to its 1972 level of around 120 tonnes per week and should be completed in around five years from

to around 160 tonnes a week by 1987 through a factory extenbreak-even point in around sion. The estates, which were three years. The estates were progressively abandoned under appropriated by the Amin the Amin government, turned government in December 1972, out only 700 tonnes of tea last

A labour force of around 5.000 will be neded to operate the 5,500 acres of land, according to Mr. A. P. Ballantyne-Evans, a Cotts director. He says that a Cotts has drawn up a three big problem will be to fix wages stage programme designed to at a time when inflation has sent basic food prices soaring Numerous practical problems face the group, including the

have grown to a height of 20 ft.
The settlement between Mitchell Cotts and the government of president Binaisa will result in the incorporation of a company owned 51 per cent by held by Cotts. Mr. Ballantyne-Evans said he hoped that the final joint venture agreement The first Rhodesian teas to reach the London tea auctions since UDI were sold yesterday at 127p per kilo for 20 chests shortage of spare parts for of Pekoe Dust from Eastern machinery and the unavail- Highlands Tea Estates.

Auctions postponed

bring the estates to the point in Calcutta scheduled for yester-of breaking even, will use day and today have been postponed because of labour problems at Calcutta port.

> The Calcutta Tea Traders Association said labour agitation since January 14 had made it difficult to ship tea.

The 350 part-time workers of The group also anticipates the Calcutta Tea Workers

NEW DELHI - Tea auctions Board, who move tea from warehouses in the port, first struck last November, demanding higher wages and regular employment, but called on their action in December to fraittate negotiations.

> India's tea production fell by 25.2m kilos to an estimated 545.7m kilos in 1979, the United Planters Association of South India (UPASI) said yesterday.

Soviet meat output may fall

By Rupert Cornwell in Rome SOVIET meet production may the 15.4m topens of 1979, and egg output is expected to be δ per cent lower following the suspension by President Carter of American grain and

This was predicted in a report issued here by the Food and Agriculture Organisation (FAO) analysing the likely impact of Washington's measures after the invasion of Afghanistan. If this year's Soviet harvest is as poor as 1979's 179m tonne yield, even more drastic cuts, of up to 17 per cent, could ensue for 1981 meat production.

soyabean shipments to Russia.

The FAO forecast that Soviet grain imports for the year ending June 30, 1980, would fall 7m tonnes short of the 32m tonnes anticipated hefore the suspension of shipments. This assumes that U.S. dockworkers will end their loading hoyertt by March or April, nermitting shipment of 2.5m tonens of USSR-bound grain which was not restricted

under the U.S. action.
Estimates were that even before the embargo Soviet grain stocks would drop from 30m tonens in 1979 to 20m tonnes before 1980 harvests. Reasoning that depleting grain stocks by another 7m tonens would be too risky, the analysis concluded that the 11250; wanti he more likely to reduce meat production.

Sugar rises still further

By Our Commodities Staff

WORLD SUGAR values, already five-year highs, rose still further yesterday in spite of a

The May position on the London futures market slipped to £229.75 a tonne soon after the opening, but then moved steadily higher, reaching £242.75 tonne at one stage. At the close it was quoted at £239.90 a tonne, £4.125 above Friday's closing level. In the morning the London

daily raw sugar price was fixed £2 higher at £223 a tonne. Dealers said the price rally

was prompted by reports by a cyclone near Mauritius and further concern over drought in China. They said much of the buying was speculative.

EGG PRODUCTION

Alternatives to the battery system

BY RICHARD MOONEY

WITH THE RSPCA reportedly far-from-hopeful future for the is one of the least promising planning a campaign against battery egg production this Britain's intensive poultry farmers are keen to find evidence to support their muchmaligned trade. To this end the National Farmers' Union is preparing a reasoned defence to be circulated among MPs.

This document can be expected to lay heavy stress on the expense of alternative systems of egg production. But what are the relative costs? No one really knows. From time to time comparative studies are undertaken but there has been little such work in Britain over the past ten years.
Past studies have always come

out strongly in favour of batteries from an economic point of view but anti-battery campaigners believe subsequent developments have narrowed the cost gap consider-

Recognising this the Royal Agricultural Society of England recently started a programme compare batteries with one of the alternatives-deep litter -at the National Agricultural Centre in Stonleigh, Warwick-

shire.
In November the NAC poultry unit converted an unused henhouse to deep litter—an indoorsemi-free range system in which the hens mans on a floor covered fully lay their eggs in nesting boxes. Production of the 710 compared with that of 4.320

The Society admits that the experiment, which is scheduled to last 58 weeks, has not been eoing lone enough yet for a has revertheless published some has system which has been tried (twice the early findings which indicate a and has failed many times. It life span).

deep-litter system. The main problem," said an article in the January issue of

of dirty and cracked eggs about 40 per cent of total production is currently being down-

alternatives," he declared.

Mr. Roberts believes the straw yard and aviary systems offer ment, which it plans to extend the NAC News, "is the number far better prospects. The former is used in open-fronted houses alternative — with a 12 in layer of straw houses. Mr. with a 12 in layer of straw which generates its own heat. graded at the packing station. The latter involves enclosed because they are dirty, and houses—the latest are made

IN the latest issue of its Poultry Forum journal the NFU challenges anti-battery campaigners to demonstrate "practical alternatives." Until this is done laying eages must be allowed to continue, the article says. NFU poultry experts claim a switch to one of the more extensive systems available at present would increase egg production costs by at least 30 per cent.

about 8 per cent because of from cheap plastic materialscracks. Total egg numbers are with extensive perching facili- birds being smothered) were also down, not because the hens are laying less but because more

are lost or broken."

The seriousness of such a large proportion of dirty eggs cannot be denied. Packing stations pay only 10-10-10 a dozen for them compared with about 40p for clean eggs. And they are prevented from accepting washed eggs because of EEC rules. Washing eggs can introduce hacteria through the norous shells which can affect their keeping qualities.

Anti-battery campaigners such as Mr. Peter Roberts, general secretary of Compassion in World Farming, suspect however that the poor performance hens installed there is being of the deep-litter hens owes as much to bad management as to sister hens of the same breed the basic inadequacies of the and age in a battery-cage house. system.

set out to prove there is no viable alternative to batteries. The choice of system suggests meaningful comparison, but it this, Deep-litter is a pretty old- slaughtered after two years

ties. Trials of these systems on that the incidence of dirty and cracked eggs could be reduced to as low as 2 or 3 per cent, Mr. Roberts claims.

These claims are supported by Mr. Philip Brown, a veterinary officer with the RSPCA. Mr. which can incorporate mech- systems. anised egg collection and automated feeding.

He has been trying for some time to persuade anti-battery groups to mount a study of their own into the possibilities of some such system but has run up against the supercompassionate attitude of many of his fellows, "They won't tolerate a system which does restem.

not allow the hens to die of He believes the Society has natural causes," he said. "My spagestions were thrown out as soon as I mentioned that the hens would have to be

(twice the normal battery hen's

Society recognises the shortcomings of its present experiinclude admits that the dirty and cracked eggs figure should improve considerably as the hens get used to laying their eggs in the nesting boxes rather than on the floor. But he doubts that any system other than battery cages will ever reduce the figure as low as 2

Royal

or 3 per cent.
"1 don't see any real alternative to batteries." Mr. Davies stated. Hens pecking each other rats (often resulting in some problems with the extensive systems, he said. He also noted that the high cost of the litter or straw, which has to be changed frequently, the better keeping qualities of battery eggs —"you will always get overlooked bad eggs turning up in other systems "—the increased Brown is particularly hopeful use of labour and more disease on the prospects for aviaries, all argued against the extensive use of labour and more disease The poultrymen are probably

right in their assertion that the would mean dearer eggs but we may never know just how much is left to the farmers. The antibattery lobby's suspicion that the possibilities of the alternatives to hatteries have been prejudged unfavourably by farming community certainly seem to be borne out by Mr Davies' attirude.

If the campaigners want more compassionate system for egg production to be found they will probably have to find it

Ministers tough message to farmers

BY JOHN CHERRINGTON, AGRICULTURAL CORRESPONDENT

through their ability to exploit markets both here and overseas. This was the message that effects on farmers of the high the Minister of Agriculture, Mr. cost of borrowing, of oil and Peter Walker, gave to the Hampshire NFU yesterday.
The Government, he added.

the Green Pound and practi- price to be paid for national

BRITISH farmers will have to cally abolishing MCAs in conseget their rewards in future quence. Farmers were now more or less on equal trading terms with those in Europe.

He admitted the serious wages, but could promise them little in the way of direct re-coupment. High interest rates, had done its part by devaluing he claimed, were part of the

solvency. He would oppose any increase in Common Market prices for products in surplus, particularly milk and sugar.

Mr. Walker warned of the danger of consumer resistance to higher milk and other prices and for that reason advised farmers to look very bard at ways to improve their marketing, probably in partnership with food processing interests.

UK cocoa grindings fall

By Kim Fuad in Caracas

UK cocoa bean grindings fell 10.9 per cent to 14.700 tonnes during the final quarter of 1979 from 16,500 tones in the corresponding 1978 period the Agriculture Ministry announced yesterday.

Grindings in the third quarter 1979 totalled 12,300

4004 0, Angust 4046 (Soyabeans—March 682-680), (668), May 704-703 (680), July 727-726, August 734 Sept. 740, Nov. 744-745,

April 3952 C. June

BRITISH COMMODITY MARKETS

speculative and supplies sening, sening forward metal opened the pre-market around the £1,284 level and quickly dropped to around £1,265 in this trading reflecting market opinion that the recent appeulative buying of copper had been overlored. The selling connamed throughout the morning rings; with chartrist selling also in swidence as the price fell below £1.250. Closing quotation on the morning Kerb was £1,242. In the afternoon, three months edged up to the mid-£1,240's influenced egieq up w the mic-13,240's initianced by a steady opening trend on Comex but subsequently dipped again to the day's low of 21,232 on speculative short selfing prior to closing the late Kerb at £1,238. Turnover: 15,350 tonnes.

Cash £1, 207; three months £1,225, 24. speculative and Investment demand for Kerls: Wirehars: Three months £1,252, lead had been overdone together with 50, 52, 51, 49, 47, 45, 43, 44, 43, 42, the shake-out in copper prompted

37, 38, 37, 38, 35, 38. Cathodes: Cash C1,191. Kerb: Wirebers: Three months C1,241, 40, 38, 37, 36, 38.

TIN—Easter following an unexpected rise in warehouse stocks. Forward metal opened on a stocky note, despite the fall at Penang, but assed back to around C7,300 in quiet trading owing to the stocks rise. In the afternoon, covering against U.S. physical demand held the market stady at C7,300 before the fate turndown in cooper caused modest selling of tin which dipped to close the late Kerb at 17,285. Turnover: close the late Kerb at £7,285, Turnover: 870 tonnes.

TIN Official - Unofficial -

LG. Index Limited 01-351 3466. Augu 29 Lamont Road, London SW10 0HS. L. Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

CORAL INDEX: Close 443-448 (-1)



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Guide de la company de la comp

Section 2015

10.00

Denations and information: Major The Earl of Ancaster.

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London ECIA 9DX.

Limited, 60 West Smithfield

British Limbless Ex-Service men's Association need money desperately. And, we promise you, not a penny of it will SEVETO THOSE WHO GAVE - PLEASE he wasted.

WE, THE

We come from both world wars.

We come from Kenya, Malaya, Aden, Cyprus ... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping

our Association. BLESMA (the British Limbless Ex-Service Men's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential

Homes where they can live in: peace and dignity.
Help BLESMA, please. We

LONDON COMMODITY CHARTS

Delly High/Low dose charts with 5/10/20 day moving Address IWO Tages

28 Panton Street, Cambridge CB2 1DH Tel: Cambridge 356251

Turnover: 5,850 tonnes.

Morning: Cash £465, 68, 67; three months £465, 62, 60, 58, 55, 53, 55, 56, 57, 58, 61, 60, 61, 63, 64, 66. Kerb: Three months £465, 60, 59, 60, 458, 460, Three months £465, 60, 59, 80, 458, 460. Alternoon: Cash £487: three months £480, 62, 69, 60, 62. Kerb: Three months £483, 52, 61, 60, 61.

ZINC—Essier with the market tending to tollow copper and lead. Forward metal drifted in quiet trading throughout the day, felling from around £374.5 to close the lare Kerb at £367.5. Turnover: 4,578 tonnes.

Cash ... | 859-60 - 8 | 356-8 - 15 | 5 | months | 774-5 | 4 | 570-1 - 14 | 5 | 5 | months | 750-8 | - 8 | - 8 | 750-5 | |

Morning: Cash £360; three months £374, 74.5, 75, 74.5, 74. Kerb: Three months £373, 71, 72, 71, 73, Afternoon: Three months £372, 73, 72, 71, 70, 70, 71, Kerb: Three months £370, 68, 70, 71. Kerb: Three months (270, 68, ALUMINIUM—Lost ground along with other metals. Forward metal opened the pre-merket at £310 but falled to attract any fresh buying as the weak performance by cooper prompted general liquidation of aluminium, which slipped back throughout the day to close the late Kerb at £300.5. Turnover: 2,750 tonnes.

a.m. + or p.m. + or Unoffic'i - Unoffic'i - E £ £ £ £ £ 8924 - 7.5 904-5 - 6 908-4 - 9 Moming: Cash D395; three months £904, 03, 06, 05.5, 05. Kerb: Three months £903, 02, 04, Aftermoon: Three months £905, 03, 04, 03, 02, 03, Kerb: Three months £903, 02, 900, 900.5, 500,

NICKEL—Down in line with the general trend in base-metal pricas, although some good buying from one quarter helped steady the market on the morning Kerb. Forward metal opened at £3.150 and fall to £3.110. opened at £3.180 and fall to 13.110 before good support prompted a modest rally to £3,120. This buying dried up in the afternoon, however, with lorward metal finally quoted on the late Kerb at £3,105. Turnover: §18 tennes.

NICKEL 2980-5000 -55 2980-500 -75 onths 3105-10-67,5-3100-10 -88

Morning: Three months £3,140, 30,

SILVER Silver was fixed 38.2p an owner lower for spot delivery in the London bullion market yesterday at £15.168. U.S. cent equivalents of the fixing levels were: spot \$34.5, down 81.4c; three-month \$34.452, down 92.5c; sizmonth \$34.187, down 51.077; and 12-month \$33.974, down 51.193. The metal opened at £14.95-18.60 (\$34.351) and closed at £14.95-18.60 (\$33.342).

SILVER Bullion + or L.M.E. + or fixing - p.m. troy oz. price Unoffici'i 8pot.... 1516.8p +88.1 1496.5p -84.5 3 months 1886.8p -42.2 1468.5p -102. 6 months 1521.6p -43.2 12months 1581.8p -53.2

Opening a little easier futures steaded during the afternoon session

Yesterd'ys + or Business Close - Done COCOA May 1478-77 +5.0 1479-82 July 1488-90 +11.5 1490-67 Sep 1505-09 +16.5 1510-486 Dec. 1532-37 +14.5 1532-92 March: 1560-60 +8.0 1546 May 1572-85 +9.0 1572-71

Sales: 2,690 (1,440) lots of 10 tonnes. /U.S. cents per pound): Daily price Feb. 1 147.00 (146,35); Indicator price Feb. 4 16-day average 144.460 (144.40); 22-day average 144.06 (143.66).

COFFEE

London colles futures maintained a steady tone despite obening with alight losses in some positions during mixed dealings, reports Draxel Burnham Lambert. During the alternoon prices held in a narrow range reliacting a disappointing New York performance. Towards the close trade participation boosted any otherwise small volume as prices closed at the deily highs in most positions, reports C. Czarnikow.

FEE Close + or Business Done COFFEE

Sales: 2,644 (5,929) late of 5 tonnes. Sales: 2,644 (3,929) folds of 5 folines; ICS Indicator prices for Feb. 1 (cents per pound). Other Mild Arabicas 183.33 (181.00). Robustas ICA 1976 159.50 (158.00). ICA 1988 159.75 (158.27). Unwashed Arabicas 213.00 (asme); Comp. daily ICA 1968 181.56 (180.58).

GRAINS

LONDON GRAIN PUTURES—Grains opened unchanged in thin trading. Values sysed on wheat to close 20-250 down on old crops and 10-20p down on new crops. Barley old crops asw great losses with March closing 50p lower on the day, new crops remained about stady to close unchanged to 5p lower, reports Acli.

Market 118.50 transhipment east coast. Bariey: English Feed fob Feb. 100.50, March 102.50, April 104.50 east coast.

RARLEY Mar. 99.95 -0.20 97.00 -0.50
May. 104.15 -0.25 101.15 -0.40
Sept. 96.25 -0.20 93.40 +0.05
Nov... 100.00 -0.15 96.90 -0.05
Jan... 108.75 -0.10 100.70

Business done—Wheat: March 100.1599.85, May 104.30-104.15, Sept. 96.2596.25, Nov. 100.05-100.00, Jan. 103.75-103.75. Sales 50 lots of 100 tonnes. Barley: March 97.50-97.00, May 101.55-101.15, Sept. 93.40-93.35, Nov. 96.95-98.90, Jan. no trade. Sales 192 lots of 100 tonnes. IMPORTED—Wheat: · U.S.

Northern Spring No 2 14 per cent Feb. 105. March 103.50 transhipment east coast. U.S. Hard Winter 13¹, per cent Feb. 100.00, March 101.00 transhipment east coast.
HGCA—Location ex-farm spot prices-Feed barley: Eastern 95.90, E. Midlands 95.00. N. East 94.60. Scotland 94.00. Other fullling wheat: Eastern 99.00. E. Midlands 98.50.

The London physical market opened steady, with little physical interest

No. 1 Yest rdays Previous Business R.S.S. Close Close Done

Mar	01,09-21.10	38,15-80,70	81,20-30,a0
	a2.00- :5,00	₿ 1,03-62-00	_ `
	68.85-84.00	.55.20-55.40	B4.10-83.50
	66.74-66.75	86, 15- 36,20	67,70-86.00
	88.65-84.80	88,00-88,10	B9,60-88.40
	89,80-90.00	69, 15-82, 20	90,10-68,90
Apr- Jne	81.10-91.20	90,40-90,45	
ily. Sept	92,45-92.60	91,60-91,70	92,BB
Oct-Dec	93,75-94,60	95,00-93,15	94,40-88,15
-		- 1 ·	
Cales:	745 / 206 1	or 15 tonne	e 11 /14\

Physical closing prices (buyer) were: Spot 80:50p (79:50p); March 75:25p. (78:00p); April 80:75p (80:50p).

SOYABEAN MEAL The London market opened with small losses on this trading conditions, reports T. G. Roddick. Prices found some trade support during the

Yast'rd'y -or Business Close - Done February 121, 16.26, 5+0.80
April 117, 56-18, 7+0.45, 117, 56-18, 98
June 118, 56-18, 7+0.25, 118, 98-18, 98
August 118, 25-18, 3+0.10, 118, 20-18, 90
October 177, 28-17, 8+0.25 December 118.78 19.1 -0.25 118.50 February ... 121.18 22.0 -0.05 -

SUGAR

LONDON DAILY PRICE (raw sugar):

(223.00 (C221.00) a tonne cif for Feb.

March shipment. White sugar daily

price wes (223.00 (semes).

Scattered profit-taking developed at Scattered profit-taking developed at the opening when prices were some \$2.00 below kerb levels. However buyers soon predominated and quotations repidly moved shead. The advance gained momentum during the atternoon when prices were some \$13.00 shove the low points before further profit-taking pared the gains somewhat at the close, reports C. Czarnikow.

Sales: 10,354 (10,868) lots of 50 NUMBER 4 CONTRACT—Close (in NUMBER 4 CONTRACT—Cross (in order buyer, seller only). May 240,00, 241.00; Aug. 240.75, 242.00; Oct. 241.00. 241.75; Jan. 236.00, 237.50; March 242.00, 243.00. May 242.00, 243.00. Solies 1,316 (687).

LONDON WHITE SUGAR—Close (in order buyer seller)

order buyer, seller, business, sales). April 227.00, 230.00, 227.00, 2; July 235.00, 240.00, nil, nil; Sept. 235.00, 250.00, nil, nil; Nov. 235.00, 255.00, nil, nil; Feb./April/July all 235.00, 260.00, nil, nil. Sales 2.

Tate and Lyla ex-refinary price for granulated basis white sugar was 6318.70 (same) a tonne for home trade and 6301.50 (6300.50) for export. and Loui 50 (LSUD.5U) for export. International Sugar Agreement (U.S. cents per pound lob and stowed Caribbean port). Prices for February 1. Daily price 21,20 (20.41): 15-day avarage 18,62 (18,24).

LIVERPOOL—Spot and shipment sales amounted to 163 tonnes. Users were not inclined to buy extensively at current high rates, but attention communed in various American-type qualities, with Middle Eastern styles frequently wanted.

PRICE CHANGES

netais Numiniu:n . . . £770:310 £760;70 Free Mkt :es) \$2040:2050 \$1850;13

Platin'mtr'y oz £189.0 £195 Free mkt£371.55 +3.7 £540.35 Quicksil'ver.... \$380.390 -7.5 \$360.390 Silver troy az... 1516.89 -38.2 1733.95 months ... 1526.89 -43.2 1800.93p T.n Cash...... £7.235 -70 £7.335 3 mths... £7,287.5 -57,5 £7.212.5 3 mths... £7,287.5 ~57,527.212.5 Tungsten22,84% \$138 ... \$138 Wol:rm 22,04% \$189,144 \$152,156 Zinc cash ... £557 ... 15 £326 ... months... £370,5 ... 14 £541,5 Producers... £780,825 ... \$780 3 mths... . . £7,28 Tungsten22.04/# \$158

Dils Coconut (Phil),,\$905c Groundnut ‡
Linseed Crude. £431 £368
Paim Malayan, \$682.6r ; Grains Barloy Futures£101.15 -0.4 £95.20 Maizo

Other

Maizd French No3AM +117.50 ++ 0.25 :

Australian cents per pound March 480.00, 482.00, 482.0-481.0, 93; May 505.00, 505.00, 516.0-502.0, 497; July 530.00, 533.0, 542.0-530.0, 1153; Oct. 533.00, 534.00, 538.5-521.0, 429, Dec. 533.00, 534.00, 541.0-530.0, 332; March 534.00, 536.00, 541.0-530.5, 70; May 531.00, 531.00, 545.0-533.0, 79; July 531.00, 531.00, 543.0-531.0, 44. Sales 2.667.

LONDON NEW ZEALAND CROSSBREDS LONDON NEW ZEALAND CROSSENEDS —Close (in order buyer, selter, business, sales). New Zealand cents per Ailo: May 407, 410, nil, nil; Aug. 421, 424, nil, nil; Dec. 422, 424, nil, nil; Dec. 422, 424, nil, nil; Jan. 422, 424, 422, 17; March 426, 428, 427, 2; May 431, 432, nil, nil; Aug. 432, 434, nil, nil. Sales: 19

TEA AUCTION

LONDON TEA AUCTION 49.617
packages were offered at yeaterday's
auction. A strong demand prevailed
Assam CTC's sold readily but at Assam CTC's sold readily but at slightly lower rates, apart from selected dusts which advanced. After a hesitant start. East African CTC's came in for good support and mediums closed firm with dusts and brighter liquoring types 2p-5p dearer. Plain Africans, however, were very irregular and sometimes a little easier. Brighter Ceylons were dearer with others about steady. Price indications others about steady. Price indications for the week: Quality 140p per kilo (137p): Medium 112p (110p): Plain 62p

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod (2.20-64.80, codlings (2.50-63.20. WOOL FUTURES

SYDNEY GREASY WOOL—Gloss (in: best small (3.20-13.80, medium 12.20-13.00, surpleice 3.40-13.80, medium 12.20-13.00, sylves order buyer, sellar, business, sales). fish (large) (3.50, (medium) £2.80.

AMERICAN MARKETS

NEW YORK, February 4. Silver—Feb. 3280.0 (3475.01, March GRAINS AND soyabeans staged a moderate rally on short covering and buy stops. The entire meat complex showed major gains in correcting an 3746 P, August 3794 0, Oct 3830.0, Dec. cversold position. Silver and gold were 3878 0, Feb. 3920 0, April 3952 0, June fewer trading in a new consolidated range. Copper reacted sharply on the downside on probletating and trade selling. Cocob. sugar, and cotton advanced limit up or near. Coffee faired slightly in a featureless trade, reported Heinold.

selling. Cocob, sugar, and cotton August 733. Sept. 740, Nov. 744-745, advanced limit up or near. Coffee Tallied slightly in a featureless trade, reported Heinold.

Potatoes (round whites)—Merch 197.00 (184,00). Mai: 192.00-192.20 (190.10). July 197.50-197.20. August 79.20-19.50. Sept. 201.50-201.70. Oct. May 74-3, Nov. 70.4-71.0. Sales 358. 12.2.50-203,50. Dec 206.00-206.20 Jan. 199.00-19. 201. March 211.20-212.60. Sept. 201.512.60. Sept.

Tin—772.00.785 00 nsked (779 00 March 211 ±0.712.60.790.00).

CHICAGO. February 4.
Lard—Chicago loose 21.62 (same).
New York prime steam unavailable.
Live Cattle—Feb. 68 75-68 90 (66.47).
Adril 70.65-70.80 (69.46). June 73.75-73.70. Aug. 73.75-73.00. Oct. 72.55.
72.70. Aug. 73.75-73.00. Oct. 72.55.
72.55. Dec. 73.45-73.67. Jan. — Feb. — Live Hogs—Feb. 39.35-39.25 (38 87).
April 38.40-38.35 (38.15). June 42.35-43.00. Oct. 42.70-42.65. Dec. 45.25. Feb. 46.25. April 45.50.
↓ ±Meize—March 279-278. (2764).
Δivy 2921-202 (2893). July 3011-201.
Sept. 3081, Dec. 3141-3141, March 3251-325.
Pork Bellies—Feb. 39.80-39 65 (29.22). March 40.30-40.10 (39.75). May
42.30-42.45. July 44.10-44.20, Aug. — 10.000 kg, 11. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, Feb. 4.

Wheat—U.S. No Two Dark Hard
Winter wheat 13.5 per cent Feb. \$206,
March \$208. U.S. Hard Winter Wheat
ordinary unquoted. U.S. No Two Red
Winter wheat Feb. \$206, March \$208.
U.S. No. Two Northern \$208.
U.S. No. Two Northern \$208.
U.S. No. Two Northern \$208.
14. per cent Feb. \$211, March \$213,
April/May \$203, May/June \$203.

April/May \$203, May/June \$203.

Mainter Sept. \$211, March \$213,
April/May \$203, May/June \$203.

Sept. \$244, April/Sept. \$254, April/Sept. \$254, April/Sept. \$251,
March \$208, May/June \$203,
April/May \$203, May/June \$203.

Sept. \$248, Feb./March \$248, April/Sept. \$248, April/Sept. \$248, April/Sept. \$248, April/Sept. \$254, April/Sept. \$251, April/Sept. \$251, March \$258, April/Sept. \$251, May 2009, April/Sup. Sept. 1350, PARIS, Feb. 4.

U.S. No. Two Northern Spring wheet 14, per cent Feb. \$211, March \$213, April/May \$203, May/June \$203.

Maize--U.S. No Three Corn Yellow AFL \$132.50, Jan. \$132.50, Feb. \$132.50, March \$136, April/June \$143, July 2185/2215, Sept. \$147.50, Oct./Dec. \$150.50.

Sovabeans--U.S. Two Yellow Guif-

Sept. \$147.50, Oct./Dec. \$150.50,
Soyabeans—U.S. Two Yellow Guilports Feb. \$272.25, March \$277.25,
April \$280.75, May \$283.50, June
\$289.75, July \$291.75, Aug \$285.25,
Sept. \$296.50, Oct. \$297.50, Nov.
\$297.25, Dec. \$300.75, Jan. \$306.25,
Feb. \$314, March \$315.75, Brazil Yellow
FAQ unquoted. Argentine May \$283.50

INDICES FINANCIAL TIMES Feb. 1 Jan 31, Minth ago Year ago 509.52 508.69 294.40 262,23

Dow FeF. Jan. Month Year Jones 1 31 ago ago Spot 450.01446.18 416.18376.40 Fitur s459.34453.54 424.07370.41 (Average 1924-25-25=100)

Sales at call 5.

Sales at call 5.
LME-Turnover 153 (same) lots of 10,000 oza. Morning: Three months 1560, 50, 40, 20, 35, 40, Afternoon: (Middle Feb. 1458), three months 1510, 1500, 1490, 80, 50, 40, 60, 50, 50, 60, 61, 60, Kerb: Three months 1460, 52.

DOW JONES

1422,9 11481.3 1583.5 1018.3 1816.8 1822.1 1695.8 | 1530.7

SMITHFIELD—Pence per pound.
Beef: Scotch killed sides 64.0 to 68.0, Etre hindquariers 69.0 to 74.0, forequarters 49.0 to 51.0. Veal: English 182.0 to 184.0; Dutch hinds and ends 182.0 to 186.0. Lamb: English smell 63.0, medium 44.0 to 58.0, heavy 40.0 to 54.0; Scotch medium 44.0 to 58.0, heavy 40.0 to 54.0; Scotch medium 44.0 to 56.0; heavy 40.0 to 54.0. Imported frozen NZ PL New Sesson 51.0 to 52.0 NZ PM New Sesson 51.0 to 50.0, 100-120 ibs 40.0 to 48.0, 120-180 ibs 37.0 to 47.0. Special qualition—very high quality produce in Ilmined supply.

produce in limited supply.

MEAT COMMISSION—Average fat-

(Base: September 18, 1931 = 100) Lemon soles £11.00. Rockfish £3:00.

Saithe £3:00.

MEAT/VEGETABLES

SMITHFIELD—Poince per pound.

Reaf: Scoutch killed sides £4.0 to 68.0.

15 to 5.00.

Setsumas—Spania: 95:1895 3.20-3.80.

Lemons—Italians: 100:1505 4.80-5.20;

Cypriot: 11 to 84/1205 3.30-4.40. Greek: 15 to 5.50.500. Consent in Consent in

produce in limited supply.

MEAT COMMISSION—Average fatter stock prices at representative markets on February 4, GB Cartle 80.53p per kg est dow (+0.4), GB Pigs 65.4p per kg bw (+0.7).

Kg bw (+0.7).

COVENT GARDEN—Prices in sterling per package except where otherwise per package accept where otherwise per package accept where otherwise per package of the per package except where otherwise per pour 0.40-0.50, Average 5. African: Santa Rosks per pour 0.40-0.50, Average 5. African: Santa Rosks per pour 0.40-0.50, Average 6.4 and 0.40-0.50, Aircan: Alphonse Lavallee 13.00-14.00 0 40. Gaviotus 0.40-0.50. Avocados— Israeli: 4 30-4,80 Melons—Spanish:

(Base: July 1, 1952 = 100) MOODY'S

(December 31, 1931 - 100)

· REUTERS Feb. 1 Jan. 51M nth ago Year ago Feb. 4 'Feb. 1 M'nth ago'Year ago

FINANCIAL TIMES STOCK ENDICES

Renewed widespread weakness in Gilt-edged contrast with sound equity tone-Decca up on GEC cash offer

*First Declara Last Account Dealings tions Dealings Day Jan. 28 Feb. 7 Feb. 8 Feb.18 Feb. 11 Feb. 21 Feb. 22 Mar. 3 Mar. 3 Mar. 14 Jun. 12 Jun. 23 " "New time" dealings may take place from 9.30 s.m. two business days

earner.

The persistent squeeze on near-term credit and continuing indigestion because of recent heavy purchases of Government stock became more apparent in Gilt-edged yesterday. More widespread weakness developed in Gilts and some concern was being voiced about the January

banking statistics, due to be announced today. Quotations were defensively lowered at the opening and following renewed forced selling of short-dated issues by Discount Houses and other sources, the market became extremely sensitive again. Sentiment was also adversely affected by further gloomy economic forecasts, continuing doubts about the Government's monetary policy and worries about the steel dispute. The shorts bore the brunt of

the liquidation and fell 13 before a recovery set in on hear-covering after the latest UK official reserve figures. Losses were finally reduced to around 2 and the steadier trend continued in trade after the official close. Longer-dated stocks failed to

benefit to the same extent and settled a noint lower after 11.

The equity sections were naturally affected but, in a reduced business, leading shares hald up relatively well despite. held up relatively well despite Closing Josses rarely exceeded a penny, an impressive performance in view of the funds being reserved for temorrow's £178m call on British Petroleum new

Discounts dull

GEC's cash terms for Decca relieved an otherwise drab day for market highlights and the latter returned from suspension to close sharply higher at 4950 for the ordinary and 385p for the A," both within a touch of their respective bid prices. Measuring the trend, the FT 30-share index was 3.8 lower at the 2.00 pm calculation but finally only 2.1 down on balance at

Demand for Traded outions dried up and only 404 contracts were completed against Friday's 1.081 and last week's daily average of 865. Cons. Gold

Houses where closing falls December retail sales figures, deterioration in the steel strike. Commex easen to top manager, ranged to 10. Allen Harvey and House of Fraser fell 7 to 128p John Brown eased 23 to 55;p before ending a net 31 up on and GKN 3 to 262p. Elsewhere, balance at 23p following the Ross gave up that much to 335p on fading bid hopes and Burton and Gillett Bros. dipped 8 to declined 4 to 104p following 215p, while Clive declined 6 to adverse comment. The announcerap, while thre nectified b to rep and Union 5 to 390p. The major clearing banks drifted lower with the general trend but closed up to 4 above the day's lowest. NatWest cheapened 6 to lowest. Nat West cheapened 6 to 350p as did Midland, to 370p, while Barclays fell 8 to 420p. Merchant banks were featured by Hambros which, at 323p, gave

up 15 of its recent Press-inspired up 15 of its recent Press-inspired rise. Still awaiting news of the Hongkong and Shanghai bid approach, Antony Gibbs dipped 4 to 74p; H. and S. ended 4 higher at 197p. Still reflecting the chairman's cautious statement. FNFC eased 2 more to 141p and, elsewhere in Hire Purchases, Lloyds and Scotlish receded 4 to 130p.

Continuing concern that Marsh

Continuing concern that Marsh and McLeonan's bid might be referred to the Monopolies Com-mission left Bowring down 4 more at 138p, after 137p. Leading Breweries turned a

shade easier in a quiet business. Whibread gave up a couple of pence to 125p, while Bass lost the turn to 197p. Among the turn to 197p. Among regional issues, Vaux fel! 3 to 145p awaiting today's annual meeting while Press comment failed to inspire Davenports, 2 similar amount lower at 151n Heavitree added 10 to 895p in a

thin market. Selected Building descriptions moved against the generally dull trend. In Timbers, speculative buying was directed towards May and Hassell which, in a thin market, put on 8 to 80p. Phoenix Timber touched 149p before settling a penny firmer on balance at 145p, while Montague Magnet and Southerns improved 3 to 158p; Mallinson-Denny added a penny to 53p. Elsewhere, buy-ing ahead of today's interim statement lifted Crouch Group 2 to 80p, while stock shortage contributed to a gain of 12 to 75p in Rohan, By way of contrast, small selling clipped 1; from U.B.M. to 68;p, while Ibstock Johnsen gave up 2 to 71p on

profit-taking. A penny easier for most of the session as buyers held off, ICI attracted support towards the close and finished unchanged on halance at 375p. Trading in Fisons followed a similar pattern and, after slipping to 274p. picked up to close a net 5 higher

ment that the company's retail credit operations have been sold left Debenhams a couple of pence off at 85p. Gussies "A" lost 4 to 398p as did Mothercare, to 206p, while UDS cheapened 2 to 73p, after 72p. Elsewhere. Comet Radiovision Services reacted 4 to 90p on the company's price-cutting campaign, while Currys relinquished 7 to 176p in sympathy. Bakers Household sympathy. Bakers Household gave up 5 to 90p and Foster Bros-softened 4 to 76p. By way of

contrast, Bolton Textile hardened

and GKN 3 to 262p. Elsewhere, balance at 23p following the news prompted firm announcement that the company ness in United Engineering, 7 up is negotialing to sell its loss-at 115p, while favourable Press making U.S. interests where busimention stimulated interest in ness has just ceased with the Amalgamated Power, 2 dearer at sacking of 2,500 employees. 76p. Fresh support ahead of preliminary results, due shortly, after 512p, while G. R. Holdings put on 20 to 260p. Aeronautical good at 23p. Chemring revived and General Instruments regood at 23p. Chemring revived with a gain of 5 to 130p, while Martenair improved 6 to 198p.



more to 34p on further consideration of a recent investment recommendation.

Following GEC's counter offer worth 500p cash for the ordinary and 400p for the "A," dealings resumed in Decca issues; the ordinary closed at 4950 and the at 385p compared with Friday's suspension prices of 390p and 338p respectively. GEC ended a penny firmer at 350p, after 353p. Original bidders Racal fell to 219p before settling at 220p for a fall of 6 on balance. Eisewhere in the Electrical sector, continuing bid hopes lifted Ferranti 10 more to 490p. Adverse Press mention prompted selling of MK Electric which eased 6 to 177p. Still reflecting the good interim results. Whole-sale Fittings bardened 10 more to 500p. Muirhead improved to 210p on an early flurry of specu-

which put on 15 to 305p in a thin market on renewed speculative support. Increased interest was shown in Needlers which added 4 to 42p. Elsewhere, Louis C. Edwards were quoted at 59p ex the rights issue: the new nil paid shares opened at 25p premium and closed at 28p premium

buyers and improved 4 to 131p. British Cargo slump

Among leading Foods, recently dull British Sugar responded to

selling pressure to bear on British Cargo which closed 21 down at 35p. Elsewhere in a miscellaneous industrial sector, adverse comment affected

and General Instruments re-mained speculatively favoured mained speculatively favoured at 243p, up 5, as did Grippetrods.
Secondary Foods displayed two
sharply contrasting features in Hillards which shed 9 to 151p on the disappointing interim statement and Bernard Matthews

mained speculatively favoured at 243p, up 5, as did Grippetrods.
3 to the good at 170p. Chubb fell 9 to 111p, while Australian Broken Hill Proprietary dipped 30 to 635p. The leaders drifted lower for want of interest. in sympathy with gilts, Unilever gave up 6 to 450p as did Reckitt and Colman, to 202p, while Boots shed 4 to 180p.

Leading Leisure issues succumbed to selling Coral and Ladbroke giving up 5 apiece to 67p and 154p respectively. Elsewhere, Brent Walker, 65p, and Saga Holidays, 196p, both shed 3. Among subdued Motor sectors, Lucas shed 5 to 250p, but Dowly found support in front of to-morrow's interim statement and picked up 3 to 161p. Distributors hovered around Friday's closing positions, although Tate of Leeds added 2 to 890.

Concern about the upward pressure on short-term interest rates remained a restraining in-fluence on Property shares which settled parrowly lower in the absence of buyers. Great Port-land Estates were notable for a fall of 4 at 218p, while Land Securities and Stock Conversion shed 2 apiece to 282p and 360p respectively. By contrast, Percy Billon attracted buyers and firmed 8 to 233p, while Control Securities added 2 to 41p. Demand in a thin market lifted Jermyn 8 to 68p.

Lasmo advance

Although overall business in Oils was at a fairly low ebb, a reasonable trade developed in ome of the North Sea stocks 'Lasmo were relatively lively and pushed ahead to close 25 higher at 438p, while Siebens (UK) advanced 22 to 678p. Gas and Reports that a bearson on cular has been sent to the group's Oli Acreage. 365p, and Campungs, employees ahead of the forth-results brought respectively, but CCP North Sea fresh selling and gave up 16 further to 2820. Assisted by Press mention, Carless Capel improved 2 to S1p. Among the leaders, British Petro-leum closed 2 firmer at 1500 1.081 and last week's daily average of S65. Cons. Gold everage of S65. Cons. Gold stracted a reasonable business.

A fresh setback in gilts signalled a retreat in Discount set of set o

ing the preliminary results which fell well below market estimates. Eisewhere among Overseas Traders, Gill and Duffus, 128p and S. Hoffnung, 713p, fell 4 and 3 respectively, but William Jacks added a couple of pence for a two-day gain of 7 to 44p follow-ing a Press mention.

in the Shipping sector, cautions week-end Press mention prompted a reaction of 5 to 165p in Millord Docks. Movements in Textiles were movements in Textues were restricted to a couple of pence either way. British Mobair, 49p, and Stoddard A, 24p, both added 2, while David Dixon improved 3

to 115p. Further consideration of Friday's interim figures clipped a fraction from Brigray, 71p, while Allied: at 96p, relin-quished 2 of last week's gain of 9 which followed the preliminary results.
Plantations encountered further profit-taking, but Guthrie attracted fresh support and rose

7 to 730p. Castlefield shed 5 to 445p, as did London Sumatra, at 428p, while Malakoff lost 8 to 96p. In Teas, McLeod Russell declined 10 to 330p.

Quiet mines

Activity in South African Gold shares fell to the lowest level price lost ground in quiet trading to close \$10.50 down at \$667 an

Shares firmer but failed to attract any significant interest either way until modest selling from U.S. sources in the after-hours' trade Gold Mines index eased only 0.1

Exceptions to the general rule included East Daggafontein, up 19 to a 1979-80 high of 81p reflecting a follow-through of heavy overseas buying which developed after-hours on Friday and South African Land which

gained 21 to 391p. In a quiet South African Financials section, falls of 1 were common to GFSA, £33, and Johnnies, £29, but UC Investments closed unaltered at 415p

LONDON TRADED OPTIONS

67.45 68.17 66.75 69.04 68.69 69.01 68.91 445.7 447.8 453.3 457.6 464.0 455.6 480.7 333,3 333.4 329.9 350.5 334.6 511.2 181.4 7.33 7.30 7.20 7.15 7.08 7.25 Ord, Div. Ylaid.,. ... Earnings, yld. 7 (fully 18.07 18.06 17.76 17.64 17.46 17.69 P/E Ratio (not) (*). ... 6,80 Total bargains: 19,899 19,260 21,294 25,584 22,822 21,305 125.87 122.62 159.17 115.99 139.54 87.06 _ : 15,985 15,188 18,252 18.054 15,860 14,569 Equity bargains total Index 01-246 8026. *Nii = 6.58.

1918 100 Govt Secs. 15/10/26. Fixed Int. 1928. Gold Mines 12/8/55. SE Activity July-Dec. 1942. Industrial Ord. 1/7/35.

HIGHS AND LOWS S.E. ACTIVITY

T.	IGNO A	MILL					
	1979/80		Since Co	mpilat'n	· • • • · · ·	Feb.	Feb,
	High	Low	High	Low	Dayly	'-	
Govt, Secs.	75,91	63.30 (18-12)	187.4	49.18	Gift Edged' Industrials Speculative	123.8 113.5 52.0 78.3	1131
Fixed Int	77.76 (5:5)	64.06 (15/11)	150.4 (28/11/47)	. 20,55	Totals	10.2	70,1
ind. Ord	558,6 (4:6)	406.5	658.6 (46/79)	Re -C - 18.	6-d'y A'vr'g≉ Gut Edged	117.0	175.0
Gold Mines	.360.4 (18)1.88)	129.4 (17:4)	442.5	45.5	Industrials Speculative,	195.0 59.2	126.0 62.0

in front of the increased interim profits and dividend.

London Financials easier on lack of interest coupled with dull precious and base metal prices. encountered persistent profit-taking and dipped 10 to 398p, while Selection Trust gave up 5

to 692p and Charter 4 to 152p. In Platinums, Lydenburg returned from suspension following the terms of the bid from South Africa's "Old Mutual" and closed at 170p compared with the pre-suspension price of 180p Australians staged a modest late raily after a weak start.

Heavy profit-taking left Oakbridge 23 down at 212p, while Bougain-ville gave up 9 to 187p.

On the other hand, renewed speculative buying lifted Pacific Copper 14 to 158p, after a 1979-1980 high of 160p, while favourable Press comment prompted a

Vol.

15

398p

19

478p

73p

360p

134p

NEW HIGHS AND

LOWS FOR 1979/80 reliewing securities abouted in a information. Service without dinew Highs and Lows for 1979-8 NEW HIGHS (35)

Schah Bestoi . STORES (1) Soften Textile

Sowtherpe

Newmark (Louis)

Wholesde Fitting ENGINEERING (3) Chemring United Engineering FOO

FOODS (1)
Edwards (Louis C.)
NDUSTRIALS (5)
Acronaut (2) & Gen. Grancertols
Applied Computer T. Solhebri
G. R. Holdings Stalight Ser Glasgow Pavilion
PROPERTY (2) Conirol Sect. Jernan Ints.
SOUTH AFRICANS (2)
SOUTH AFRICANS (2)
SOUTH AFRICANS (2)
SOUTH AFRICANS (2)
CONTROL OF CONTROL

RUBBERS (1) Guthrie
BANNES (6)
East Daggafonteid
South African Land
Swan Resource
Response wite

NEW LOW'S (20)

BRITISH FUNDS (6)

Treasury 140c 1992
Exch. 131 pc 1993
Treasury 141 pc
Exch. 140 pc 1994
Exch. 140 pc 1994
Exch. 140 pc 1994
Richardson Merrei
CHEMICALS (1)
Dixor-Strand
Amber Day

Amber Day Amber Day ENGINEERING 113
Lloyd (F. N.) ENGINEERING 113
Lloyd (F. N.) HOBISTRIALS 48)
Black Arrow Engine Remore
Braby Leslie Remore
British Carpo Air. S1285 Potts
Danbee-Combet-Mart Wedgwood
NEWSPAPERS (1)
Assoc. Book Publishers
TEXTURE (1)
Reliance Kintwear

RISES AND FALLS YESTERDAY

Corpus., Dom. and Foreign Bonds ... industrials Financial and Prop.

Unit trusts

We regret that the full page of the Unit Trust Information Service published in Monday's issue was a repeat of details shown in our prevous Friday issue instead of the Saturday paper.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS					Mon., Feb. 4, 1980			Fri., Feb.	Thurs., Jan. 31	Wed., Jan. 30	Tues., Jan. 29	Year ago (approx.)		
Fig	& SUB-SEC tures in parentheses stocks per se	show nun		Index No.	Day's Change %	Earn Yiek (Ma	ings 1%	Gross Dry. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Index No.	index No.	Index No.	index No.
1	CAPITAL GOODS	172)		231.99	-0.4	18.	76	6.73	6.73	232,84	234.81	235.76	234.63	22954
2	Building Materials (2	27)		227.64	-0.6	17.		6.90	7.40	228.50	230.34	232.55	228,15	204.32
3 4	Contracting, Constru Electricals (15)	iction (29)	1 14 s06 con 14	352.44 597.94	-02	26. 13.		6.87 4.22	4.72 9.68	353.14 588.10	354.94 593.83	354.74 593.38	350.78 595.26	346.82 539.55
5	Engineering Contract	tors (11)		285.42	-10	25		8.97	4.91	288.31	289.32	291.75	287.12	35411
6	Mechanical Enginee	ring (74)	~	160.72	-0.4	21	35	8.09	5.81	161.44	162.53	164.15	163.76	17815
8	Metals and Metal Fo			159.54	-05	21_	33	9.52	5.60	160.39	162.86	162.04	162.28	15934
71	(DURABLE)(50)			213.44	-0.a	16.	73	5.73	7.38	215.21	218.84	219,21	219.15	202.69
12	Lt. Electronics, Radi	o, TV (15)		295.75	-0.7	12		4.35	9.88	297.79	303.80	302.82	302.90	259.91
13	Household Goods (14	4}	P1 14 15m-/1	111.33	-2.0	27.		9.85	4.45	113.55	114.60	115.00	114.02	164.65
14	Motors and Distribut			112.05	-0.9	23.	32	8.32	4.92	11312	114.25	115.84	115,86	113.69
21	(NON-DURABLE)	173)		216.09	-0.9	18.	71	7.06	6.59	218,05	219.98	222.31	223.78	209.26
22	Breweries (14)			250.06	-0.3	17.		7.00	6.57	250.91	253.96	258.30	259.89	226.95
23	Wines and Spirits (5) Entertainment, Cate)		287.64	-1.0	18,		6.44	6.54	290.51	294.87	297.39	302.78	293.52 274.33
24 25	Food Manufacturing				~0.5 ~1.0	20.	- 1	7,07 7,37	6.68	297.90 199.57	305.51 201.81	306.39 204.55	305.90 203.80	197.77
26	Food Retailing (15).				-1.0	14.		5.11	8.45	296.43	299.14	305.25	307.34	231.09
32	Newspapers, Publish	ing (13)	***********	431:62	-0.1	23.		6.96	5.84	432.02	435.56	438,08	438.68	379.26
33 34	Packaging and Paper Stores(43)	r (15)		127.93 215.50	-0.2 -1.6	23. 14		8.88 5.27	5.53 9.05	128.13 218.93	128.91 21937	128,84 221,68	130.28 222.96	195.81
35	Textiles(23)	·		127.29	+0.3	28.		12.76	4.37	126.88	128.19	128.69	130.78	175.97
36	Tobaccos (3)			212.53	-05	26.		10.79	4.21	213.59	215.59	216.17	220.95	250.97
37	Toys and Games (6).		·····	41.99	+13	38.		17.05	3.24	41_45	43.32	43,46	43.87	93,44
41	OTHER GROUPS (9 Chemicals (17)	7)	**********	201.29	-0.4 +0.1	15.		6.71	7.69 6.98	292.02 296.83	204.96 302.87	206.83 304.37	206.35	195.89 274.30
42 43	Pharmaceutical Proc	lacts (7)	****	202 37	-0.6	16. 12		6.78 6.32	9.69	203.58	210.01	216.55	396.23 219.97	237.98
44	Office Equipment (6)		********	116.68	_	18.	78	7.00	6.27	116.68	316.40	217.91	116.09	127.21
45	Shipping (10)	-1144144-41441	-24-9944-	442.63	-0.2	111		7.30	10.67	443.60	443.12	442.36	435.86	415.91
46	Miscellaneous (57)	ID ((02)	********	239.09	-0.8 -0.6	16.		6.66	7.64 6.92	241.87 224.69	242.79 227.18	243.78 228.90	240.24	211.87
51	Oils (8)				+0.2	15.		6.51	7.04	730.49	747.34	743.93	75153	526.81
59	500 SHARE INDEX				-0.4	17.		6.73	6.94	264.74	268.26	269.69	270,49	242.26
61	FINANCIAL GROUP	(117)		19254	-12	1=		5.74		194.90	196.77	198.01	196.69	170.30
62	Banks(6)			222.35	-1.5	37.4	10	5.85	3.41	225.70	228.39	229.81	228.75	201.13
63 64	Discount Houses (10) Hire Purchase (5),		PP.IIM.	170 56	-25 -27	18.	.,	8.50 5.30	6.94	245.82 184.45	245.17 183.65	245.17 187.85	244.93 182.83	207.36 162.65
65	Insurance (Life) (10)				-1.9		" [6.41		167.29	168.67	168.59	163.05	131.90
66	Insurance (Composite	e) (9)		j 127.24 l	-1.4	l	- 1	7.63		129.04	130.39	131.47	130,83	119.89
67 68	Insurance Brokers (1 Merchant Banks (14)	(0)		282.95	-1.6 -1.6	17.4	15	6.93 5.96	8.23	287.69 103.56	290.85 101.79	293.51 103.55	290.67 99.76	307.69 79.02
69	Property (44)			351.26	-0.4	3.3	76	3.08	38.18	352.66	356.04	359.22	360.61	283.43
70	Miscellaneous (9) Investment Trusts (10			127.73	+0.2	16.		7.14	8.07	127 45	128.70	129.57	128.99	11456
71	Investment Trusts (10	09)		215.05	-0.8	Γ	_1	5.76	1	216.85	218.23	217.84	213.18	213.12
81 91	Mining Finance (4) Overseas Traders (20	······		393.95	-1.6 -1.0	11.7		4.50 6.74	10.35 9.30	199.65 395.86	197 <i>.5</i> 7 395.66	198.44 395.80	198.88 389.38	121.18 322.58
	ALL-SHARE INDEX											252.95		
FIXED INTEREST PRICE INDICES							FIXED INTEREST YIELDS British Goyt. Av. Gross Red.			. {	Mon., Feb.	Fri., Feb., 1	Year age (approx.)	
	British Government	Mon., Feb.	Chang		y 1	adj. 9 80	1 2 3	Low Coppos	1	5 years 5 years 5 years		12.52 12.52 12.52	12.38 12.38 12.38	19.48 12.22 13.94
_		4	*		1 10	date	1	Medium		5 years		14.84	14.65	13,69
1	Under 5 years	10816	-0.3	4 { —	. [84.0	5	Coupens	. 1	5 years		14.14	14.00	13,70
2	5-15 years	103.23	-0.6	9 -	-] :	1.88	6	<u> </u>		5 years	 -	14.05	13.91	13,70
3	Over 15 years	109.43	-0.8	1 A	15 1	0.56	7	High		5 years 5 years		15.31	1511	13,72
4	Irredeemables	128.12	-1.1	6 -	_ [`a	0.00	9	Coupons	_	o years 5 years		14.64 14.32	14.49	14.25 14.25
5	All stocks	104.17	-9.6	ı	1	5.93	10	Irredeed				11.55	11.40	12.67
				Mon.	, Feb. 4	 		Thurs	. Wed.		Mon.	fri.	Thurs.	Year
	1			Index	Yiek	זו ד	eb. 1	Jan.	Jan.	Jan. 29	Jan. 25	Jan. 25	Jan. 24	age happrox

Investment Trust Prefs. (15) 48.09 14.05 48.09 48.18 48.43 48.43 47.88 47.96 47.96 48,24 Comí. and Indl. Prefs. (20) | 61,87 | 14.49 | 62.10 | 61,94 | 62.27 | 62.21 | 62.02 | 62.02 | 62.01

15 20-yr. Red. Deb & Loans (15) | 51.70 | 14.52 | 51.81 | 51.93 | 51.10 | 51.02 | 51.04 | 50.90 | 50.94

ACTIVE STOCKS

)							
İ		-saioroa	of	Closing	Change	1979-80	1979-80	
1	Stock	tion m	arks	price (p)	on day	bigh	low	
ı	De Beers Defd	R0.05	9	472	- 6	500	332	
ļ	Racal Electronics	25p	9	220	- 6	276	1684	
١	RTZ	25p	9	398	~10	≟ 17	226	
ł	CompAir	25p	7	78	∸ 3	87	52	
	GEC	25 <u>0</u>	7	350	÷ I	456	311	
ı	BP 'New'	25p	6	150	÷ 2	182	128	
	LASMO	25p	6	438	+25	438	124	
	MFI Furniture	10n	6	81	- 2	89	27	
	Premier Cons	5p	6	. 64	÷ 21	84	-2 j	
ı	Western Mining	SÃ0.50	6	229	— gັ	244	121	
Į	Boots	25p	5	180	- 4	238	147	
ì	Commercial Un.	2จิ๊ง	5	142	- 3	185	119	
ł	Cons. Gold Fields	25p	5	477	- 1	485	178	
1	P. & O. Defd	£1	5.	114	_	119	71	
	Shell Transport	25p	3	348	÷ 2	402	278	
i		- •	•					

OPTIONS DEALING DATES Textile, Charterhall, Tale of

First	Last	Last	Fer
			- Settle
ings	ings	tion	ment
Feb. 4	Feb. 15	May	8 May 19
Feb. 18	Feb. 29	May	9 Jun. 9
Маг, 3	Mar. 14	Jun. 1	2 Jan. 23
For rate	e indica	tions x	ce end of
Shar	e Infort	nation	Service
Mone	v was g	iven fo	r the call
in Prem	iler OiL	Mills a	nd Allen.
			Thermal
			. Bolton

Leeds, Siebens (UK), RTZ, Dunlop, Lonrho. R. H. Cole, Shell Transport, Ultramar, Coral Leisure, Otter Exploration, BSR. Town and City, Christies International, Debenhams, Bougar-ville, Comp.Air. Tebbitt, Vickers, Carles Capel and Hawtin, Puts completed in Vlaakfontein, Swan Resources and Western Areas. while doubles were arranged in Lourho and Racal.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up Latest Renung.	1979/80 High Low	Stock	Closing Pride pt	Anount	Oovered Gross Yield P.E.			
470 363 :80	F.P. 7:3 F.P. 25/1	108 981 146 119 851 ₂ 68	HBio-kil Chem, 10p 8.P. Wew Emess Lighting Haynes P blish g 20p Spring Grove 10p Wereldhave NVDFL2	.150 + .108 + .146 . .831 ₂ —	2 415.76 66.0 64.0	1.2 7.8 14.5 6.8 5.4 6.5 5.0 7.9 4.9 2.1 5.9 9.7 1.8 6.8 11.4 1.1 5.3 16.7			
FIXED INTEREST STOCKS									

1979:80

l	Prio Park Park Dark	High Low	Stock	55	: -
	1 120p Nil 16/2 5 E U 30/5 5 P. 8/2	9854 9812 10 912 686 856	Aurora 3,85% Cum, Pref B'rnem'th & District W'ter Red. Prf. 1985! Cliffordichas. 122 Cum. Pref Felixatowe Dock 95% Cum Red Pref Hewitt (J.) 102 Cum. Fref. Thorn Elec. 72 Con. Red. 2nd CumPrf 92:59	. 282,	+ 1

"RIGHTS" OFFERS

Issue 3	录	Renunc.	197	9/80	!	18 mm + 4	
Price E	툂	Date 5	High	, rom	Stock	Mana +	
3312 N 40 F. 60 F. AS1 N 60cts N 25 N	M .P. ;	23:1. 29: 5:1 24:1 - - 20:2 12: 21:2 13	28pm 2 89 825 45pm 410pm 15 35pm 13 40pm	25pm 69 660 20pm 190pm 32pm 35pm	Associated British Engineering Edwards (Louis G.)	28pm 89pm 810 20pm'—1: 385pm + 1: 36pm 40pm +2	

UNIT TRUST SERVICE TSB Gitt Fund Managers (C.I.) Ltd.

OVERSEAS—contd.



Rothschild Asset Mgt. (Bermuda) P.O. Bor 664 BL. Of Bermuda Bid, Berma Reserve Assets Fd.)USS9488 9.884 Proces on Jan 28 Nest dealing Feb. 6. Royal Trust (C.I.) Fd. Mgt. Ltd.

Surinvest (Jersey) Ltd. (x) Queen: Hse., Don Rd., St. Heller, J

Tokyo Pacific Holdings N.V. Interes Management Co. N.V., Caracan, NAV per store January 28 US\$70.24

L INDICES

7.0g 17.46

7.04

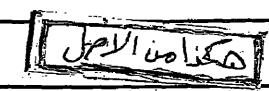
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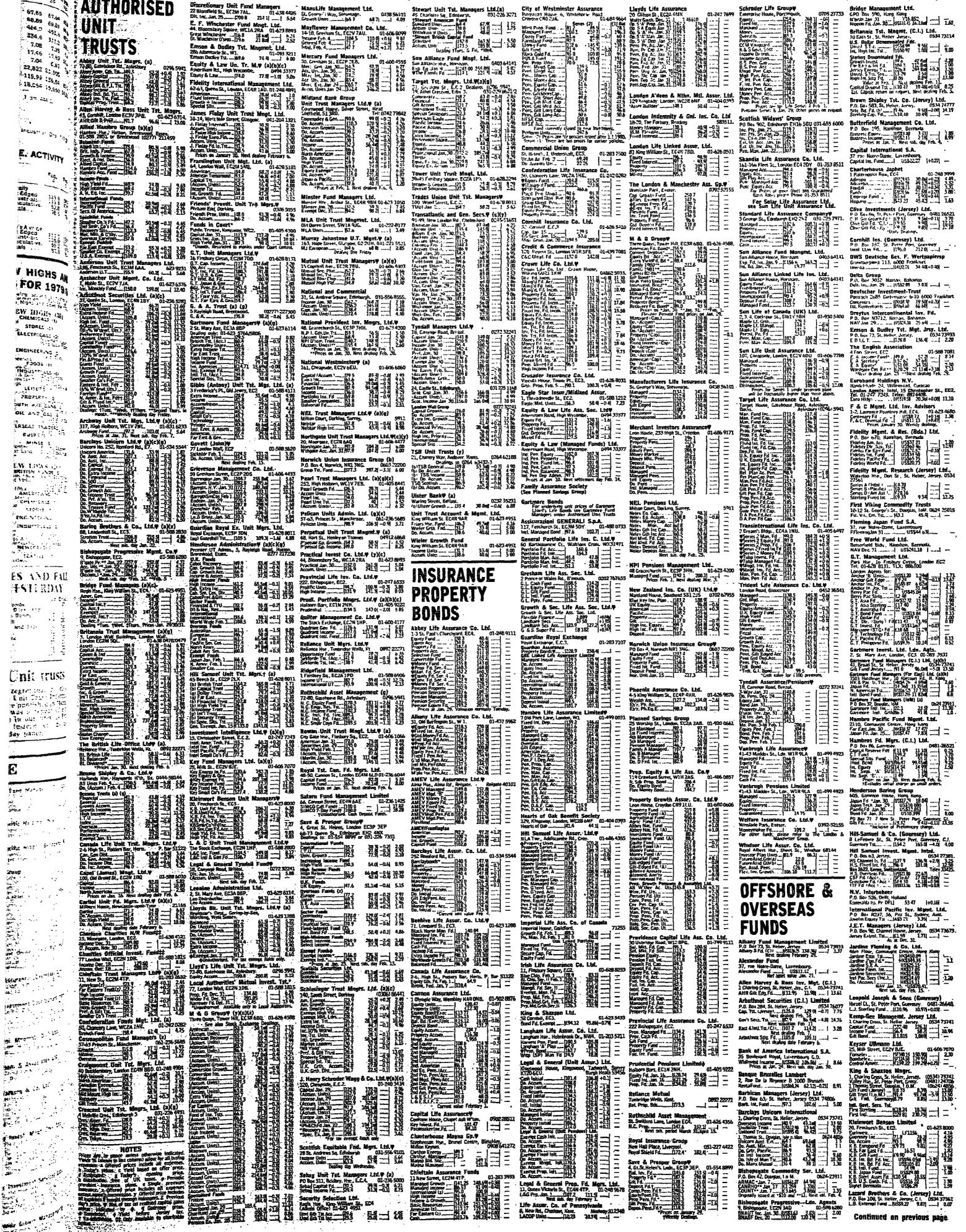
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TEAT ...

PROGNITIONS.

UNIT TRUST INFORMATION SERVICE





Construction	FOREIGN BONDS & RAILS	BANKS & HP—Continued CHEMICALS, PLASTICS—Cont. ENGINEERING—Continued 700	57 Frish Livell 200 7486 -2 1486 23 Glan Glover 30 53 1886 53 Hages C P. 30 72 640 103 Hidard 10p 78 193 -9 1935 62 Hinton (A.) 10p 78 1329
Constituction	1979-80 High Low Stack Price + or Div. % Red.	1979-80 1979	80 Kunk Saire 106 J 25 -1 3.3 29 Levent 66 10c 25 - 32.21 124 Linicol Hidgs: 249 -2 19.75 68 Lockmond: 70 4.30 59 Lockmond: 120 120
BRITISH FUNDS -	- 50 71 Do. Spc 1912 44	120 85 Gainmers Pear 108 -1 125 -1 23 - 125 83 Ellis a Extract 126 -2 15.75 17 6.6(215) 73 44 Abbit. School. 62 -3 34 2.5 848-37 35 357 173 Harming	94 Low (Wm.) 200 136 27 18 17 18 18 18 18 18 18 18 18 18 18 18 18 18
1979-80 Stock Price + or Yield		77 52 king & Shar 200 68 -2 5.78 - 7.9 - 1.7 342 to 5° 6Pf. C. 37 - 1.5 1601 135 - 193 97 Batter (C. R.) 7 8 5 46 131 166 99 (Riemetr B. L., 140 -4 460 - 6.1 - 95 67 her Part - 75 - 1262 44 50 50 82 5 Bailter (C. R.) 7 8 82 103 23 82 101 28	38 Noveders 42 34 34 34 34 34 34 34 34 34 34 34 34 34
903 953 Treasury 9cc 1980## 993 at 965 15 83 66 6 7 7 7 8 7 8 7 8 7 8 7 8 7 8 7 8 7	302 182 164 164 165 164 165 164 165 164 165 16	414 30	120 Rabertson Foods 135 +2 0.3 125 1
97. 87 Freaty Rec 1979. 97. 13. 13.77 97. 27. Treaty Rec 1981. 97. 10.43 14.03 96. 69. Econ. 86. 1981. 97. 1993 15.49	73 62 Do tex 83-88 68si 6 8.82 100 135 Peru Ass 30c 155 3 2.00 590 575 S.G.I. 69c 1980 590 61-7.22 591 \$47.82 Turn 9c. 1991 592 61-7.22 9 4.78 DM92 DM91 Turis 61-9c 1984, DM92 61-2 8.85 97 95 Uruguay 31-20c 96 31-2 3.80	214 125 Nat 84 April 541 1350 -6 171283 7.9 5.2 33 260 167 Sce. Aq. ind. £1 170 125 2.130.5 6.6 93 39 6 ham Pallet 10p 45 35 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5. 6.3 4.9 5. 6.3 5.	30 Spires Vin 12: 5 36 tal 5: 5 36; Spires Vin 12: 5 36 bd J Go
104: 475 475 1763 1764 1765 1765 1765 1882 1765	AMERICANS 1979-80 Stack E - Green Gr	*524 419 Stand's Chart 51 (485 1950) 371 74 56 58 32 Brance Out 100 40 -1 1277 24 49 54 52	Siles Tesco Sq.
97% 97% 176% Variable 1266 96% 15, 17.63 19.55 95% 65% 1768 980 22 28 86% 1-9 17.63 19.55 97% 85% Exch 94st 1962 86% 1-9 10.95 15.46 95% 86% 76% Exch 84st 1963 85% 1-9 10.95 18.46 86% 76% Exch 84st 1963 77% 1-1 10.95 18.46 86% 76% Exch 85 1983 77% 1-1 10.95 18.46 86% 76% 199% 1768 199 199 1983 199 199 199 199 199 199 199 199 199 19	59 30 AMF 5% Com. 87. 30 5% 19.9 214 149 Abbort Labs II 7m \$1.00 - 25% 17 Amax 51 24 + 1/8 \$240 - 4.5 23/2 13 American Express. 13 \$1.80 - 6.21	88 44½ Wintrust 20p 71x1 29 158 - 50 22 Access tion 50 35 117 28 5 7 7 4 81 44 Brothouse 51 465 1 1 120 (67) 108 6 44½ Wintrust 20p 71x1 29 158 - 50 22 Access tion 50 35 342 - 14 71 7 28 5 7 7 7 3 4 8 Forthouse 51 465 1 1 120 (67) 108 20 - 7 117 28 7 10 7 3 4 8 Forthouse 51 465 1 1 1 1 2 8 3 1 1 1 2 8 3 1 1 1 2 8 3 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 2 8 3 1 1 2 8 3 1 1 2 8 3 1 2 8	HOTELS AND CATERE 50 Buent Walker 50 68 -3 158 1 21 Comfort Int. 100 23 -1 10.45 1 177 De Verr Hote 1: 185 -2 1:52
95 90% Treas. Variable 85 64 91% -5 18.2% 20.37 97% 82% Treasury Paper 83 847% -5 10.5% 15.02 60% 56 Ent. 18 pp. 15 ideal of 58 -5 14.25 15.36 93% 83% (Evch. 100. 1925 847% -6 11.78 15.36 76 (Evch. 100. 1925 847% -6 11.78 15.36 17.8	23 8476 Asarco Inc	Title Purchase, etc. 124 43 Saver Ser. 105 90d -5 1.5 \$\phi \ 24\phi \ 57 35 Brooke Tool. 46m 289 \$\phi \ 9.0 \$\phi \ 19 \\ 415 265 Caube; (host) 160 272 102.1 1.8 16.9 6.4 170 565 Extra Ser. 10. 96 -2 ml.11 6.1 1.6 11.0 106 57 Brotheria P. 500. 65 1.1 6.45 172 1.1 18 16.9 6.4 170 173 18 Brown 8. Tawse 1.00 1.5 8 42 6.0 45 105 105 105 105 105 105 105 105 105 10	575 4 1101: Grand Met. 50p 133 575 43 85 Hortas (MTLC5) 100 4126 125 Latherise 10p 155 4 77 52 20t Jul Charlette 10p 245 1 1055
97: 864 Exch. 114pr 1984 873 1 2 20 15 40 984 974 1 2 20 15 40 984 974 1 2 20 15 40 974 1 2 20 15 40 974 1 2 20 15 40 974 1 2 20 15 40 974 1 2 20 15 40 974 1 2 20 15 40 974 1 2 20 15 40 10 10 10 10 10 10 10 10 10 10 10 10 10	11 5039 Brussweit Corps, III 626pai +4 50c - 5.7 391, 272, Burssyth Corp. S5. 351a +1, 252 60 - 32 417, 2114 CBS \$2.50 - 221 -1, 52.60 - 52 38 2414 C.P.C. \$1, 2 - 30 +1, 53.0 - 0.0	19 82 Prov. Financial 96 -3 15.44 26 8.1 69 34 1112 Solven Text. 50 34 +2 063 1.2 26 Mill 81 39 Butterfield Prov. 4712 +12 28 47 8.4 2.7 35 29 1312 Strip, Credit 10p 16	32 Nortos Cap 5p. 40 -1 31. 20 Norto (M. F. 10c 25
103\(\) 98\(\) 17\(\) 17\(\) 185\(\) 198\(\) 10\(\) 57\(\) 186\(\) 124\(\) 198\(\) 198\(\) 17\(\) 186\(\)	\$45 235 Caterpillari	10 15 Cantor is 20p 37 +1 02.3 2.9 91 42 75 39 Castings 10n 41 -1 02.3 34 78 54 53 63 64 63 64 63 64 64 6	74 Savey A 100 119 1.15 2 10 Saves (Red) 100 119 1.15 2 14 Saves Red) 100 150 150 150 150 150 150 150 150 150
885 724 Transport 55-922 734 - 1 16.69 13.37 70.5 544 Transport 50c 78-88 565 - 4 5.33 11.16 70.5 544 Transport 50c 78-88 565 - 4 5.33 11.16 73 565 173 564 176 565 178 565 17	194 1970 Colt Inds. \$1	63 29 Amai DSLP-10p. 49ml - 10.75 1.3 2.2 (65) 22: 13 Leope Sports 30. 32 - 11.0 12.1 1-3 1.0 13.1 19.1 (Chiera (C.) 15.1. 19.5 1.0 17. 1 19.1 18.5 0) 1.0 12.1 1-3 1.0 14.0 15.1 19.1 19.1 19.1 19.1 19.1 19.1 19.1	INDUSTRIALS (Misce
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FINANCIALTIMES

Tuesday February 5 1980



BANK GOVERNORS' VIEWS ON GROWING OPEC SURPLUS

Oil funds imbalance worsens

THE PROBLEMS of recycling in major countries about the Richardson discussed the limits discussions about whether the financial surpluses of the need for tight monetary policies on the willingness and capacity D-mark could not releive the the financial surpluses of the likely to be more difficult and more persistent than in the mid-1970s, according to the Gover-nors of the British and West German central banks.

Mr. Gordon Richardson, Governor of the Bank of England, and Herr Karl Otto Põhl, the new president of the West German Bundesbank, gave this warning last night in speeches to the annual banquet in London of the Overseas Bankers'

Both Governors underlined the actual and potential problems of recycling although they took some encouragement from the agreement of central banks

Accord at

By Robert Mauthner in Paris

FRANCE and West Germany

joint declaration on the crisis

provoked by the Soviet invasion

Agreement on the substance

of the declaration-likely to

contain both an analysis of the

current world situation and

suggestions for a Western response to it—was reached by

President Giscard d'Estaing of

France and Herr Helmut Schmidt, the West German

Chancellor, on the second day

of their three-day summit meet-

The declaration is expected to

emphasise that Western allies should adopt a co-ordinated

approach to the problems raised

West German officials said that French and West German

solidarity with the U.S. could

not be doubted. But that did

not mean every country, had to

react in the same way—a view also expressed by Lord Carrington, the British Foreign

Secretary, after his weekend

talks with M. Jean Francois-

Poncet, the French Foreign

The Franco-German concept

is that each Western country

should assume the task for

relations with specific third

were therefore more likely to

achieve results in dealing with

Schmidt also agreed it would be desirable for closer links to

be forged between the EEC and

German officials said the Franco-German initiative should

not be seen as presenting

partners with a "fait accompli"

and that the declaration should

rather be seen as presenting topics for international dis-

cussion. The Foreign Ministers of the Nine, meeting in Brus-

sels today will have the first

Welsh plants

THE Government is to provide

£48m over the next two years to attract new industries to the

areas of South Wales hardest

Mr. Nicholas Edwards, the Weish Secretary, told the Commons last night that most

of the money will go to the Welsh Development Agency, which is preparing detailed

plans for a new infrastructure

as the acquisition, preparation and development of industrial

sites, together with a substantial

programme of advance factories

Some of the money may also

within the areas most affected.

go to the Cwmbran Develop-

ment Corporation, which is consulting local authorities about the possible development

of industrial land in or around

the New-Town as a contribution

to providing alternative jobs in

In Cardiff Mr. Ian Gray,

managing director of the Welsh

Development Agency, said the

£48m would enable the agency to press—ahead with pro-

grammes of advance factory

Details, Page 10

Under the BSC proposals.

the Llanwern area.

Llanwern areas.

He identified the prime need

hit by steel plant closures.

to get £48m

state aid

programme.

the Gulf States.

opportunity.

Giscard and Herr

by the Soviet actions.

Minister.

Paris

of Afghanistan.

summit

to curb inflation. After noting the twin problems of growing indebtedness, particularly in the poorer

countries, and huge investable surpluses, Herr Pobl argued that international institutions, especially the International Monetary Fund and the World Bank, should play a much greater role in recycling. He suggested that increased

use of the Fund's ample resources by countries which could not borrow any more in tially political events" had rpivate markets would have the ashaken the confidence upon would be able to impose economic policy conditions on borrowers.

After also calling for a larger role for the Fund, Mr.

of commercial banks to bear the brunt of the recycling burden.

then outlined various in which this process could be carried out—noting, in particular, the need for larger spreads and margins on international lending to reflect different risks.

Without referring specifically to the U.S. moves to freeze ling—nor any other currency— Iranian assets, Mr. Richardson could replace the dollar as the said that "recent and essen-world's major reserve currency. positive aspect that the fund which banking relationships account (in which dollars would rest. He also stressed the need be exchanged for assets denomi-for urgent adaptations and nated in Special Drawing Rights improvements in procedures for -the Fund's currency basket)

dollar of part of its burden as a reserve currency.
He said: "The D-mark is

already the second most important investment and reserve currency after the dollar. We are not particularly pleased about this development. However, we must learn to live with

Herr Pohl said the proposals for the creation of a substitution syndicated medium-term credits. were "a step in the right direc-Herr Pohl referred to recent tion."

Saudi oil-belt Shi'ites riot

BY OUR FOREIGN STAFF

DR. ZBIGNEW BRZEZINSKI. National Security Adviser to President Jimmy Carter, held talks in Rivadh yesterday with Saudi Arabian leaders amid reports of further serious disturbances by the Kingdom's are today expected to adopt a Shi'ite religious minority.

The outbreak of violence, according to a number of inde-pendent accounts, centred on he eastern coastal town of Qatif in the oil-producing regions.

Rioting is reported to have broken out there on Friday, the intensely worried by the prosfirst anniversary of the return to Tehran of Ayatoliah Khomeini.

According to eyewitness Tebran Radio to Saudi Francisco Francisc security forces and the town Kingdom has provoked serious was sealed off as buses and cars were set on fire by the demon-

All shops in the town, popu- in Mecca by Islamic funda- ment

lation 60,000 and 40 miles from mentalists. This was the most the big oil terminal of Ras serious threat to the Saudi Tanura, were closed on Satur ruling family for a quarter of day and Sunday. Only a handful a century. were open for business yester-

day. Two banks, the National Commercial Bank and Al-Rajibi Currency and Exchange Bank, were broken into and damaged. in a repetition of the Shi'ite disturbances at the end of November elsewhere in the same province. The Saudi leadership has been

pects of Iran's revolution spreading across the Gulf.

concern in Riyadh.

A common factor in the un-

rest has been the opposition by Moslem radicals to the social upheaval caused by the rapid pace of economic development, largely imported from the West. This latest bout of rioting appears to have been sparked off by the arrest of a number of Shi'ite militants by the security forces in the wake of the November riots.

The talks between Brezezinski, Crown Prince Fahd Recent broadcasts beamed by of Saudi Arabia and Prince Tehran Radio to Saudi Arabia's Saud, the Foreign Minister, centred on the Soviet invasion of Afghanistan.

A key task would have been efforts to persuade the Saudi Government of a U.S. commit-The November riots followed ment to protect the area against the attack on the Grand Mosque any possible Soviet encroach-

Agreement on Butadiene price

BY SUE CAMERON, CHEMICALS CORRESPONDENT INTERNATIONAL Synthetic tiations where continuing with supplier of raw material. The

Rubber is to reopen one of its its other main raw material two_styrene-butadiene rubber suppliers—ICI and BP Chemiplants after reaching a "satis- cals. It added that its plant

which it is best nited. Some ago in protest against what ISR production capacity of 250,000 on a butadiene price which it prices it was being asked to pay for its butadiene raw world countries than others and material by Esso Chemical, BP Chemicals and Imperial Chemical Industries.

West Germany, for instance, action has forced Esso Chemical putting together a special aid to lower its butadiene price package for Turkey while Pre- although yesterday neither company would give details The UK-based ISR is Europe's

biggest producer of styrene-butadiene rubber. It said nego-

shire, was closed three weeks between them have an annual same time in protest against

unfair" prices. ISR claimed that Esso Chemical, BP Chemicals and ICI were asking it to pay about £330 a tonne for butadiene-17 per cent more that at the end of last year -while although they were ship-ping the chemical to the U.S. and selling it there for less than

Esso Chemical is ISR's biggest those of Europe.

chemical company produces about 80,000 tonnes of butadiene a year at its plant in Fawley. factory" agreement with Esso at Grangemouth in Scotland near Southampton and supplies Chemical on the price of raw would remain closed for the roughly half of ISR's total material.

The plant, at Hythe in Hamp- Grangemouth plants, which Esso Chemical said it had reached agreement with ISR troi over the money supply.

> had also agreed to try to establish long term arrangements for butadiene supplies.

Last week Esso Chemical admitted that it had been ship- tion. ping butadiene from the UK to the U.S. where the chemical was being sold at the prevailing market price. The company insisted that U.S. butadiene prices were broadly in line with

Tougher picketing curbs urged

BY RICHARD EVANS

ment on legal immunities of trades unions is expected to be published on Thursday or Friday, following consideration by the Cabinet this week.

Mr. James Prior, Employment Secretary, remains determined to restrict any amendments to the Employment Bill to clarifying the House of Lords' judgment on the McShane-Express Newspapers case.

But there were signs yester-day of pressure building up both day of pressure building up both commitment on reforming within the next in the Government and on the trades union law and called on under guillotine.

THE CONSULTATIVE docu- Tory back benches for much the Government to follow oversecondary blacking.

A group of Conservative backbenchers tabled a motion protesting at the current state of industrial law, which gave rise to anarchy when any trades union was legally entitled through coercion and intimidation to threaten the economic well-being of the nation.

The motion goes on to underline the Tory Party's election

tougher action to be taken on whelming popular demand by 9C (48F). secondary picketing as well as introducing immediate legislation to restore industrial equity:

> Any amendments to the Employment Bill will have to be tabled before the Bill completes its committee stage. Progress in the first few sittings has been so slow that Ministers are contemplating increasing the number of sittings each week.

> The hope is that the com mittee stage will be completed within the next month, probably

Continued from Page 1

Hadfields to withhold PAYE

running high.

an offer considerably different from the self-financing 13 or 14 per cent outlined so far before recalling his 60 negoti-

In the Commons yesterday, Sir Keith Joseph, Industry Sec-retary, again adamantly rejected Opposition demands for the Government to intervene in the strike.

Mr. Sam Silkin, Labour's Industry Spokesman, blamed the Government's "inaction and complacency" for the extension of the dispute to the private

building in the Port Talbot and But Sir Keith said that it output at both steel plants is would not be in the interests of

due to be slimmed down to taxpayers, steelworkers or the half their present capacity of country as a whole for the tounes, with 11,300 | Government to provide more private steel sector-was at a

declared legal by the Lords sug-should end this "self-destruc-gests that feelings are still tive" dispute quickly on terms which the industry could afford. Mr. Bill Sirs, general secre-tary of the ISTC, is looking for become internationally compe-

Meanwhile, the management of the only private steel company where ISTC members have refused to go on strike will be meeting senior officials of the union today in London. Sheerness Steel on the Isle of Sheppey in Kent, asked the

union for a meeting, the ISTC said yesterday. Bpt Mr. Roy Evans, assistant general secretary, said the union would be asking the local ISTC officials to bring their men into line. Yesterday a group of pickets steel strike ends. drove 200 miles from Scun. The British

And Mr. David Steel, Liberal thorpe to picket the company ieader, accused the Government of pursuing "the principles of anarchy rather than the principles of Toryism."

But Sin Kaith and a surve and miles from Scun. The thorpe to picket the company and to try to persuade the 800 urged workers to down tools.

Elsewhere, nearly all the picketing in the picketing than the principles of Toryism. workers to down tools.
Elsewhere. nearly all the
ISTC's 18.000 employees in the
private steel sector—which has
a total workforce of 65,000—

private steel sector—which has recommended to suspend their plans for an all-out strike from March 10 in the coal, steel and transport industries

Midland Iron and Steel Wages Board, representing 20 com-panies, decided to postpone further wage negotiations. Metal Box, hit by a growing shortage of tinplate, yesterday offered 2,500 of its workers, a

third of its labour force, the choice of taking up to a week's paid holiday or being laid off. Union leaders at the Neath plant, South Wales, one of the five plants affected, yesterday urged Mr. Len Murray, to secure

a relaxation of picketing. The canners still have big stocks sufficient for several weeks normal output. However. shortages are feared after the

British Independent Producers Association urged the Government to act quickly to stop secondary picketing. ● Welsh TUC leaders will be

The TUC has written to the public money for the industry. virtual standstill by last night. Welsh unions urging them to The BSC and the unions the employers side of the moderate their stand

sees risk if banks quit Fed By Jurek Martin in Washington

Neither the D-mark nor stering—nor any other currencyould replace the dollar as the
world's major reserve currency.
Herr Pohl said the proposais
Central Bank's ability to conduct effective monetary policy.

In testimony before the Senate Banking Committee, Mr. Volcker noted that a recent informal Fed survey had found that as many as 670 U.S. commercial banks representing more than 10 per cent of the system's membership and commanding more than \$70bn in deposits—intended to withdraw from the federal reserve system, or were actively considering it.

Banking membership of the federal reserve system has tradiionally been voluntary. Banks have been leaving the system because the reserves that they must place with the Fed do not bear interest.

Mr. Volcker argued, not for the first time, that the solution probably lay in making membership of the Fed compulsory, not

"I understand and share the nostalgia for retaining elements of voluntarism in the operations of the federal reserve system, he said yesterday. "But we simply cannot rely on nostalgia in conducting monetary policy."

Palliative

Mr. Voicker agreed that the frequently advanced palliative — the payment of interest on reserves deposited with the Fed-would essentially have the effect of driving up the cost of running the system, and would not guarantee that banks would remain inside the system. He suggested, instead, that the

he said yesterday "permit us to attempt to operate with a relatively small reserve base, while providing a 'safety net' should experience prove that base inadequate to obtain sufficiently precise con-" It would entail no added cost

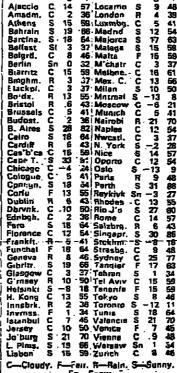
shares than Racal, which is only relief. to be expected in a contested

WIDESPREAD showers, sibly snow. Very windy, Milder in South.

England, S.W. Scotland, N. Ireland Cloudy, outbreaks of rain or snow. Max. 4C (39F).

Borders, E., N. Scotland Cloudy, with sleet or snow some drifting. Max. 2C (36F). Outlook: Becoming brighter, with wintry showers. Cold, with widespread frost.

WORLDWIDE



Volcker

MR. PAUL VOLCKER, chairman of the U.S. Federal Reserve Board, yesterday warned that the number of banks threaten-

voluntary.

present system should be supplemented by creation of a standby authority enabling the Fed to pay interest on special supplemental deposits. This formula, which he presented to Congress last autumn

ISR said the two companies cost to the banking system. he said. A proposal to this effect has been advanced in Congress but Mr. Volcker took exception to the specifics of this legisla-

Weather

UK TODAY

London, E. Anglia, Midlands, S.E., Cent. N., Cent. S. England Sunny intervals with showers, severe winds in places. Max

S.W. and N.W. England, Wales Showers or prolonged rain strong winds. Max. 10C (50F). Lake District. L of Man. N.E.



THE LEX COLUMN

A cash bid at the Decca auction

The shortage in the money markets was not so severe yesterday, but banks and discount houses were still selling short-dated gilt-edged stock and gilts were showing further substantial falls before a rally developed in the afternoon. Having overdone its rise in January, the gilt-edged market has been making a thorough job of falling, and today's banking figures—for the month to mid-January—may provide an excuse for recovery unless

they are very bad indeed. Equities have been putting a much braver face on things. and tomorrow's £170m call on the partly-paid BP shares does not seem to be casting a

GEC/Decca

The future of Decca is now finely in the balance. GEC has topped Racal's all-equity offer for the company by 27 per cent with terms that are worth £821m cash. But this is still not a knock-out bid, and if it wants Decca as keenly as seems to be the case Racal could afford one more try.

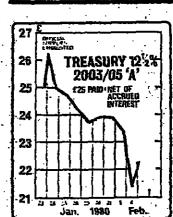
Its first attempt would have

increased Racal's outstanding share capital by around 12 per cent. To match GEC's terms. it would have to increase its equity by over 14 per cent, or more if it felt the need to under-write its shares. Racal could include some element of cash in a new takeover package, but it might start to look a little strained if it tried to finance nauch more than, say, a quarter of a higher bid in this way. It had £57m of cash and quoted investments in its last balance sheet, but Decca's debt currently amounts to something like £60m, and although that could probably be reduced quite substantially by financial surgery, such an operation would take time. Buying Decca at the present price would involve a measure

of assets and short term earn-ings dilution. The suggestion from the Decca camp is that its net worth is not far short of GEC's terms, if allowance is made for a UK property revalu-ation, a surplus on the music disposal, and a successful patent action against the U.S. Govern-But a bidder would probably take a much harsher line with some of the low returning assets. Its earnings making £16m pre-tax or more within a couple of years.

GEC is offering a much

Index fell 2.1 to 445.7.



The attitude of the Government is an open question, and all that can be with some confidence is that Decca is not in as delicate a financial state as was EMI when the authorities decided not to refer Thorn's bid to the Monopolies Commission.

Debenhams

Debenhams is tired of being accused of being too highly geared. Much of its borrowing exists purely to finance customer credit business, and the rise in interest charges has always attracted more attention than the growth in trading profit that it has brought about. Some of the debt incurred has been shifted off the balance sheet by selling debtors to Lloyds Bank, which recently held £35m of the £75m credit business outstanding. But the group's income gearing has remained conspicuous, especially in the relatively lean first half of the year-in the first six months of the year just ended, finance costs reached £6.3m against trading profits of £11.6m.

The recent growth of the eredit business suggested that the facility with Lloyds would soon have to be extended to a consortium of banks. Instead, Debenhams has decided to set up its finance company as a separate organisation-Welbeck Finance-in which it will hold 10 per cent but retain the rights will probably be negligible for to all available dividends. By is that Decca is capable of can be completely deconsolidated, although it will stay part of Debenhams for tax purposes, which will be useful if debtors higher premium for the voting ever become a source of tax

To a certain extent the

hams's income gearing will look much lower. There will be a benefit to the balance sheet as Debenhams is injecting only £20m of cash into Welbeck and shifting £40m of its horrowings. From now on the group's accounts will show only those borrowings associated with the framework of the business, rather than the relatively riskfree debt matching customer

finance. be interesting to watch, as the new company, which is being established at arm's length from Debenhams, is hoping to take on credit business for other retailers. Its initial profit projections go from £3m in the year ended to £5.8m in the year to January 1981—both figures before tax and begin around £2.4m of occupancy charges and

Lourho

After a couple of years in which published profits have changed little in spite of a hig increase in outstanding stare capital. Lonrho has announce a £9.6m drop in pre-tax profits to £84m for the 12 months to September. Most of the dechae can be attributed to a time reduction in the depreciation clawback, an accounting practice that the company has taken the opportunity to renounce for the current year. But with market sights set firmly on an expedied bumper return from the company's mining interests in 1986 the shares were barely affected dropping only 2p to 101p.

Profits in agriculture have been nearly halved to Ellm. reflecting the main impact of the lower depreciation credit Difficulties in Nigeria have been responsible for most of the 57 per cent decline in profits to £8m from export confirming. finance, property and insurance and there has also been a £5th drop in engineering and manifacturing. Against this, mining profits are £213m higher # £30.9m.

The sharp rises in capi-platinum and other metal prices since September will bring further substantial contributing from mining in the current year, and could lift underlying pre-tax profits from £76m in 1979 to about £120m, Ironically, the low quality African earnings wnich Lontno to exchange for profits in developed countries, will have pulled the group out of its stagnation. The historic yield is a shade below 11 per cent and the fully-taxed prospective

p/e about 61.

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